密勒氏評論報

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Formerly Millard's Review

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THE WEST, THE EAST—AND THE RED BEAR

"NOW people all say, Russia is in a very bad state. Yes, politically,—but in my human opinion the Russian people have a right to be more optimistic of their future than any other people.... Indeed I often tell people that the three Great Nations of the future are Russia, America and China. Russia is destined to give the Soul, America, the Body and China the Dress of the coming future Great Catholic or Universal Civilization in the World. People here will ask me why I say the Russian people have more soul than any other people. I answer, if you want to know what soul in music means, you must hear the Russian National Anthem."—Thus speaks Mr. Ku Hung-ming, a well known Chinese scholar of a conservative turn of mind. Without remarking on the question of soul, body, and dress in reference to international relations there is little doubt of the correctness of Mr. Ku's conclusions on the importance of the future relations of America, China, and Russia. Other thinkers—Mr. Bertrand Russell, for example, have thought and commented in a similar strain on this subject. It has been pointed out, probably more than once, that from the standpoint of absolute self-sufficiency these three countries more than any others on earth are independent. Were it possible to cut off any one of them from communication with all other lands, although it would for a time be inconvenient, it would not cause permanent serious embarrassment. The development of each of these countries and their interrelations are accordingly of more than ordinary importance.

MORE than six years have passed since the radical wing—the Bolsheviki—of the Social Democratic Party in Russia overcame the moderate wing—the Mensheviki—under the lead of a scion of a noble family. Vladimir Ulyanov (Lenin), and a Moscow Jew of the middle class, Bronstein (Trotsky), and, by a combination of brute force, bloodshed, shrewd cunning, and knavery, usurped the seats of power in the vast Russian dominions. Time and again it was foretold that the Bolshevist government could not last, and time and again the prophecy proved false. Relentlessly the Bolshevists sought recognition from the Powers, only for years, to meet one rebuff after another. The countries nearest Russia, some of which had in the pre-war period been part of the empire of the Tsars, were the first to grant recognition either voluntarily or involuntarily for fear or favor. Poland, Finland, Esthonia, Latvia, Lithuania, Turkey, Persia, Afghanistan, and Germany were among those which first picked up a bowing acquaintance with Red Russia. Gradually countries further away grew less frosty in their manner and, while not actually recognizing Russia under its new

government, at least entered into trade relations with her of one type or another. Among these were Great Britain, Italy, Sweden, Norway, and Czecho-Slovakia. Yet a third-class of powers includes France, Japan, and the United States. These nations, despite all overtures from Bolshevist Russia—and they have been both numerous and devious,—have refused to grant the much coveted recognition, or to consider favorably the question of entering into treaty relations. Whether the death of Lenin in January last, rendered it easier for Great Britain to enter upon more friendly and formal relations we cannot say; nor can the question as to how long it would have taken any government other than the one now in power to swing round to recognition be discussed with any degree of satisfaction. But the rise of labor, the report of the Becos Mission to Russia, and the death of Lenin have acted in combination as a complete shock absorber for the news of Great Britain's recognition of Soviet and Bolshevistic Russia. For weeks such an act has been so carefully foreshadowed that it is safe to say no well-informed person in the Far East was in the slightest degree surprised to read the laconically worded announcement on February 1: "Britain has recognized Soviet Russia."

ON December 20th two cables—the one from London, the other from Riga—showed that the wind from the north was growing milder and more temperate. The *Westminster Gazette* stated that negotiations showed that the Moscow government would admit liability for Russian pre-war debts to Great Britain, and would in turn claim damages for the Allied support of "White" forces after the revolution. And a statement was tacked on to the effect that "a £400,000 contract for electrical machinery has just been completed with an important British firm." From Riga came the nerve-soothing announcement that "M. Chicherin has sent a note to the League of Nations saying that the Russian Soviet government without changing its general attitude towards the League is willing to send a representative to discuss the proposed extension of the Washington Naval Agreement to States other than the original signatories provided the League alters the arrangements and convenes the conference outside Switzerland." Eleven days later came the report of an address at a meeting of British business men in London by Mr. A. G. Marshall, the managing director of the Becos Traders Ld. who sent a delegation to Russia last summer which included the brother of Premier Baldwin. Mr. Marshall reported that Communism was ended, that there is a gradual reversion to capitalism, and that he believed the Russian government would admit reponsibility for the liquidation of Russian liabilities, if rapid development of industries could be assured. The report of the Mission was extremely favorable to the Russian government: "It may be said with justice, that the government of Russia is not only accepted by the people, but meets with their approval." Despite the announcement by the Bolshevists after the Revolution of 1917 that all foreign treaties were cancelled it becomes apparent that Red Russia is willing to abide by most of these same treaties: confronted by a condition, theory often gives way to fact. On this matter the British Note announcing recognition says: "His Majesty's Government are advised that recognition of the Soviet Government of Russia will, according to the accepted principles of international law, automatically bring into force all treaties concluded between the two countries previous to the Russian revolution, except where these have been denounced or have otherwise juridically lapsed. It is obviously to the advantage of both countries, that the position with regard to these treaties should be regularized simultaneously with recognition." This was a subject which proved a stumbling block in Mr. Joffe's path a few months ago when he was carrying on conversation with representatives of the Imperial Japanese government.

BRITAIN'S recognition has had a signal effect on France, Italy, and Holland. It is reported that the last named country is now negotiating with Russia for a commercial treaty. Of all the Powers which have frowned on Russia since the Revolution of 1917 France has been perhaps the sternest and most unrelenting. And this for two reasons mainly—the refusal on the part of the Bolshevists to recognize Imperial Russia's debts to France, and, less talked of but quite as important, the fear of the spread of Bolshevistic ideas in France, with the possible danger of an overturn of the Bourgeois government of the Third Republic by the rise of the proletarians or Fourth Estate. On January 7, Herr Gessler, the German Minister of Defence, in a speech at Stuttgart said that he considered the alliance between France and Czecho-Slovakia as a bridge to relations between France and Russia, with the object of placing Germany between two fires, France has not as yet recognized Russia, although she has been carrying on conversations of an economic nature with M. Skobeleff, the Soviet Commercial Agent in that country. The latter, however, is reported to be leaving France early in February, "having completed the liquidation of the Agency owing to the decision of the Seine Tribunal that trade between France and Russia, although legal, must be undertaken at the trader's own risk, and cannot enjoy the protection of the French Courts, as long as the French government have not recognized the Soviet government." In his first statement on foreign policy, more than a year ago, Signor Mussolini referred to Italian relations with Russia. Although at first there were those in Russia who naturally looked with disfavor upon the Fascist government, little time was lost by the Bolshevists in attempting to enter the family of civilized nations through the Italian door. The Italian Foreign Office has held conversations with Krassin—now Commissary for Trade at Moscow, Worowsky, who was assassinated at Lausanne, and Jordansky who is now foreshadowed as Soviet Ambassador to the Quirinal. In December last Mussolini came out publicly in favor of an agreement with Russia, the result of which, was the concession of oil fields in Georgia to an Italian syndicate. On the death of Lenin, the Italian newspapers announced the conclusion that the leader of the proletarian revolution realized before his death, the impossibility of the success of the movement beyond the frontiers of Russia; because of the "solid and healthy organizms of the great nations of the West." It is evident, therefore, that in recognizing Soviet Russia, the Italians feel that the teeth of the Red Bear have been drawn. That Signor Mussolini's government ponders the question of recognition from the same cool, impartial, and economic point of view as did its predecessor, before throwing in its lot with the Allies in the Great War, is demonstrated by the following paragraph from a recent speech of the Italian dictator: "The question must be put in terms of frank and free national utility. Is it useful or not, for our expansion, for the welfare of the Italian people?... Russia must give... a concrete equivalent, give an advantageous commercial treaty, give concessions, of war materials which Italy greatly needs. If Russia agrees to this, if Russia gives us

what we ask, the current negotiations will no doubt have a successful issue." The fact that Great Britain recognized Russia before Italy got around to it must steal a good deal of the latter's thunder. Italy is, however, on the point of signing a treaty with Russia the first clause of which accords *de jure* recognition of the Soviet government.

WHAT will be the effect upon America, Japan, and China of the recognition accorded Russia by the Labor government of Great Britain? It is obviously difficult to say—nevertheless a general consideration of the subject may not prove amiss. A study of the intensive efforts, and the methods used by Soviet Russia in seeking to get into the good graces of the Powers, must remind one of the answer of the kind-hearted old lady who, when challenged to speak up in defence of the devil, said: "Well, he certainly works hard." Russia has not concentrated on the nations of western Europe alone: her web, like that of the spider—and the Germans'—spreads in all directions. No effort has been too great for those who seek America's recognition; and no country seems quite as determined to refuse it. To the latest Soviet overture, in the form of a telegram, sent to President Coolidge by Tchitcherin, Soviet Commissary for Foreign Affairs, Secretary Hughes, by order of the President, issued on December 18th not a note but a statement to be transmitted through the Consul at Reval, in Esthonia. This announcement reads: "With respect to the telegram to President Coolidge from Tchicherin of December 16, the Secretary of State to-day made the following statement in reply.

"There would seem to be at this time no reason for negotiations. The American government, as the President said in his message to Congress, is not proposing to barter away its principles.

"If the Soviet authorities are ready to restore the confiscated property of American citizens, or make effective compensation they can do so.

"If the Soviet authorities are ready to repeal their decree repudiating Russia's obligations to this country and appropriately recognize them, they can do so.

"It requires no conference or negotiations to accomplish these results, which can and should be achieved at Moscow, as evidence of good faith.

"The American government has not incurred liabilities to Russia or repudiated obligations.

"Most serious is the continued propaganda to overthrow the institutions of this country. This government can enter into no negotitions until these efforts directed from Moscow are abandoned.

"The United States Consul at Reval will deliver this statement to the Soviet representative at that place for communication to Tchitcherin."

Immediately after the issuance of this statement the State 'Department published intercepted detailed plans, said to have been sent by the Soviet government to the "Workers' Party" in the United States. These prepare for a proletarian revolution which should "raise the Red flag over the White House"—and do a number of other things, which the Soviets evidently consider desirable, but of which Americans generally do not approve. It must have been irritating and more than a little disappointing to Messrs. Ulyanov and Bronstein to find that Mr. Samuel Gompers, the President of the American Federation of Labor, would have nothing to do with Bolshevism, that he has opposed the recognition of Soviet Russia, and done all he could to prevent American 'Reds' from working up sympathy among the ranks of American labor. While advocating freedom of radical speech, he has opposed official endorsement of revolutionary programmes. In the latter half of December Senator Borah fathered a resolution urging President Coolidge to extend recognitiion to the Soviet government, alleging that proof was lacking of Russian propaganda activities in the United States. The Senate has ordered a detailed study of the whole Russian question by the Foreign Relations Committee. To the present the step taken by the British government has had no appreciable effect on that at Washington. The New York *Tribune* remarked, "We can wait until Red Russia is ready to return to civilized standards before resuming diplomatic relations with her." And, according to a *Reuter's* report, the recognition granted by Great Britain will, in the opinion of President Coolidge, have less bearing on the attitude of the United States towards Russia than the investigations being conducted by the Senate Foreign Relations Committee.

TURNING to the question of recognition by Japan and China, it is necessary to remember that Russia is a Eurasiatic Power historically and racially, as well as geographically. From the period of the mediaeval Grand Duchy of Muscovy, Russia has been quite as deeply interested in the Near East, the Middle East, and the Far East as in Western Europe—oftentimes its eastern interests have quite overshadowed its interests in the West. In connection with China, it is well to remember that it was with Russia, that this great empire first signed a treaty with a Western power—that of Nertschinsk in 1689. It is, furthermore, worth noting that the first hint of extraterritoriality in reference to China is to be found apparently, in this same treaty—one, moreover, which was based on equality of the contracting parties. From the moment that the Bolshevist revolution was assured at least temporary success, the leaders of Red Russia began their propaganda throughout Asia. The caravan routes between western and northern China and Central Asia, by which silk and tea have for centuries been transported to the West, became channels for the passage of Bolshevist ideas as they have been for other Eastern and Western ideas, since the days of the great Han dynasty. The Soviet leaders were not slow to use them. By propaganda schools, by secret and non-secret agents, by flattering treatment of Far Eastern subjects in Russia itself, and by many other means, Bolshevism spread itself to the East. Despite this, nevertheless, for almost three years after the Bolshevik *coup d'etat*, and rulers of Republican China maintained official relations with the old Tsarist representatives in this country headed by Prince Koudacheff, the Minister at Peking. Finally, however, in September 1920, recognition of these representatives was formally withdrawn by mandate. President Hsu Shih-chang, and China announced that until Russia had succeeded in establishing a truly national government, Russian interests in China would be placed under the jurisdiction of Chinese authorities. President Hsu's mandate of September 23, 1920, contained the following provision: "We wish it to be understood that our friendly relations with the Russian people remain unimpaired. The life and property of all peaceful Russian residents in this country shall be entitled to due protection as heretofore." On inquiry being made by the Diplomatic Body in Peking, the then Foreign Minister, Dr. W. W. Yen, gave assurance that the mandate mentioned did not contemplate the abrogation of Russian treaties or of the rights derived from them.

THE deep interest of Soviet Russia in attaining recognition from both Japan and China, is evidenced by the despatch of Messrs. Joffe and Karakhan to the Far East as accredited Agents. The latter of these was formerly Commissary of Foreign Affairs to the Soviet government, and thus it is clearly evident he is a picked man. M. Karakhan has declared that he comes to China with the hope that "all the questions will be solved in the spirit of the Declarations of 1919 and 1920"—these we believe

included the relinquishment of Russian extraterritorial rights in China. Into the details of the outstanding questions; between China and Russia, we cannot at present enter. In a later issue we hope to consider the matter of Russian extraterritoriality, the Chinese Eastern Railway, and the status of Mongolia—all of which must be settled at no distant date. Suffice it to say—the path of M. Karakhan has not been strewn with rose-petals. He has attempted to obtain recognition before going into the settlement of outstanding problems. Dr. C. T. Wang, the Director-General of Sino-Russian negotiations for China, answered M. Karakhan on January 9th, in the following strain:

> "I am unable to subscribe to your view that the resumption of normal relations between China and Russia should be effected as a condition precedent to the opening of the Conference, since the attitude of the Chinese government is based on the proposal advanced by Mr. Joffe, the former envoy plenipotentiary of your government... In your opinion the Union of Soviet Russia has, by its declarations of 1919 and 1920, shown its complete friendliness to China. In the opinion, however, of the Chinese people this friendliness still leaves something to be desired, since the troops of your government are still stationed in Chinese territory, namely, in Outer Mongolia,
>
> "To sum up. When two nations desire to maintain friendly relations with each other it is essential that a formal agreement shall first be signed by them, which may be capable of mutual observance. If, on the other hand, only the normal relations are resumed while the outstanding questions are to be left for settlement at a future date, how can the Chinese people be expected to be satisfied therewith?"

It is unlikely that this breach will prove of serious duration inasmuch as China and Russia seem almost equally anxious to settle their mutual difficulties. If for no other reason than in the hope of putting a stop to Soviet propaganda in the Republic China is likely within the near future to hit upon a *modus operandi* for intercourse with Russia. In a recent address before the Soviet Congress at Moscow, M. Zinovieff is reported to have "exhorted the delegates to spread the light of communism among the hundreds of millions of Orientals *especially those of China and India* whom M. Lenin's deputy previously called Soviet Russia's heavy reserves." This is interesting apropos of the demand of the British government that, as a condition to recognition, the Soviet should promise complete cessation of propaganda in India and China, and the answer by Russia, after recognition had been granted, that mutual confidence and non-interference in internal affairs remain the indispensable condition for the development of friendly relations between England and Russia. A similar assurance has been given to Italy even before the granting of formal recognition. It would seem that the time has passed when China might suffer unpleasant notoriety or adverse criticism of any weight from a formal recognition of the Soviet claim to be the *de jure* Government of Russia. It will be interesting to watch the development of the next few months of Russo-Japanese and Russo-Chinese relations.

WHO KNOWS WHERE "HOTEN," CHINA IS LOCATED

THE extensive list of Chinese and foreign readers of the *Review* will be interested in new names which have been adopted by the Imperial Japanese Railways for two important Chinese cities located in Manchuria. The names of the cities, according to the current advertisement of the Japan Hotel Association published by the traffic bureau of the Imperial Japanese Railways and appearing in newspapers in China are "Hoten" and "Hoshigaura." The first city or "Hoten" is the new Japanese name which has been adopted for the well-known Chinese city and capital of the province of Manchuria, otherwise *Mukden*, the headquarters of General Chang Tso-ling. The name of the other Chinese city which the Japanese railway authorities have renamed "Hoshigaura" we do not know but hope that some of our readers in Manchuria will enlighten us. Perhaps some of the bright young men on the staff of General Chang, the Manchurian war-lord, may be able to obtain the information. The advertisement containing these new names which the Japanese have adopted for well-known Chinese cities in Manchuria, which attracted our attention appears in the current issues of the *North-China Standard*, the Japanese-owned newspaper published in the English language in Peking. We call attention to this because of the interest aroused in this subject by editorials published in the *Review* for October 20, 1923 and January 26, 1924 referring to an extensive advertising campaign now being conducted in the United States by the Japanese owned and operated South Manchuria Railway which conveys the impression that Manchuria is a separate and distinct country and not a province of China. These editorials in the *Review* drew a sharp reply and denial from the manager in Shanghai of this railroad, so we now submit the latest evidence to hand, the apparent wholesale renaming of well-known Chinese cities in the current advertising of the Imperial Japanese Railways. It should be said of course in this connection that the Chinese names of cities in the Kwangtung leased territory were dropped many years ago and Japanese names substituted. Now apparently the same thing is being done for the remainder of Manchuria, if we are to believe the evidence which the Japanese railway authorities are themselves presenting in their current advertising for tourist business.

IMPROVING THE CHINA TRADE ACT OF 1922

THE 67th U. S. Congress in 1922 passed an Act known as the "China Trade Act of 1922" the purpose of which was to give urgently needed relief to American merchants engaged in the development of American trade with China. The Act provided, briefly, for the incorporation of American companies doing business with China directly with the government at Washington under the regulations of the Department of Commerce. Previous to that time American companies interested in this field had been forced to incorporate under the various and conflicting regulations of the different states and territories. This led to confusion and lack of confidence on the part of banks and the public generally in the stability of American firms engaged in business in this field due to the fact that many of the state corporate regulations were loosely drawn and when originally adopted were intended for domestic rather than foreign trade purposes. As a result of the lack of a definite federal incorporation law there were, up to the passage of the China Trade Act in 1922, no "American" companies doing business in China in spite of the fact that there were probably between 250 and 350 firms owned by American citizens engaged in business in the field. These firms were incorporated under New York law, Delaware law, Connecticut law, Arizona law, Alaska law, Philippine law and so on even one or two companies trying to operate under the corporate regulations of Panama and claiming American protection.

THE confusion which this caused in this important foreign field from the standpoint of American enterprise may be well imagined and the general result was to express the situation mildly a deplorable lack of confidence. Since it is the practice of Chinese business men owing to lack of confidence in their own governmental regulations to invest their savings in foreign companies, the Americans were practically barred from this important field because no one, not even an experienced corporation lawyer, could be expected to know all of the ramifications of the American state and territorial laws governing corporations. The confusion also had further disastrous consequences from a financial standpoint for the reason that American companies operating in this field necessarily must do their banking business through banks in the field, many of them being of non-American nationality. The confusion resulting from the attempt to operate American "state" companies in the China field naturally has its reaction in banking circles to the general effect that bankers generally had little confidence in *American* companies as such. The company might have a beautiful charter showing millions of capitalization but the average banker being unfamiliar with the laws of the state under which the company was incorporated, had no way of knowing whether the assets represented real values or merely hopes and expectations. And to make matters worse the American companies in their competition in the China markets had to meet other foreign companies of British, German, Japanese and other corporate regulations which were known and generally respected.

THE above gives the principal reasons for the agitation which American business men interested in the trade of this part of the world had conducted for many years to induce Congress to adopt a federal incorporation law governing companies operating out here. It also gives some indication of the feeling of relief which Americans out here experienced when Congress finally took action and passed the China Trade Act of 1922. But this relief was not for long when it was found that the Senate in order to obtain the support of certain members of that body coming from interior states and unfamiliar with the importance and requirements of foreign trade, had eliminated from the bill several of its most important features especially certain clauses pertaining to taxation. And in this connection it should be said that even though the state and territorial regulations governing American corporations are all different and conflicting, there is one uniformity and that is taxation. All of these companies even though they may do all of their business and earn their profits outside of the United States are subject to the American taxes even to the heavy corporation and excess profits taxation levied during the war. This placed and still places American companies out here under a handicap surmounted only by the strongest firms, for the simple reason that the foreign firms of British, Japanese, German and other nationalities are all exempted by their home governments from domestic taxation laws upon business conducted and profits derived outside of the home country.

SINCE foreign business from the standpoint of the China field is hazardous due to exchange (China being on a silver currency basis) and other reasons, it is necessary for foreign firms operating in China and between China and other nations to build up heavy reserves for the lean periods. British and other foreign firms do this by building up heavy reserves in the prosperous periods but the American companies are precluded from this because of the application of the U. S. domestic tax laws. Money which otherwise might be placed in the reserve must be sent home to the U. S. Treasury. In the boom days of the war and the years immediately following, the American firms were able to operate even with the tax burden, but when the slump came dozens of promising companies were forced out of business for the easily understood reason that they did not have the surplus to fall back upon which their competitors enjoyed. In the daily conduct of business the American firms are also placed at a further disadvantage because taxation really amounts to a cost of doing business. Since American concerns must, if they hope to survive, add the cost of the tax to their selling prices they are at a distinct disadvantage in competing with the foreign firm incorporated under such laws as those of Great Britain, France, Japan or Germany which pay no taxes to their home governments upon profits derived out here. And still further on the subject of handicaps under which American firms labor there is the matter of inducing Chinese business men to invest in American companies. The Chinese may be well disposed toward Americans and may desire to cooperate with them in the development of the trade between the United States and China to the extent of investing in American companies, but until the passage of the China Trade Act this was practically impossible because, regardless of his desire to work with Americans, his friendship would not carry him to the extent of paying taxes on his share of the profits to the United States Treasury.

THE China Trade Act of 1922 remedied this situation from the standpoint of Chinese investors in American companies, but outside of establishing the important principle of federal incorporation under a single set of known regulations administered under properly constituted officials of the Department of Commerce, it did little else. In order to remedy this situation there has now been introduced in both houses of Congress a joint resolution, which in the House of Representatives carries the title of "H. J. Res. 24" which is intended to perfect the China Trade Act of 1922 and make it workable in this field. In spite of the fact that there are several hundred American firms operating in China only about a dozen have thus far taken advantage of the facilities offered by the China Trade Act. The House resolution referred to which was introduced by Congerssman Dyer of St. Louis who is familiar with the situation, reads as follows:

JOINT RESOLUTION

Amending the China Trade Act, 1922, and the Revenue Act of 1921.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 4, 6 (b), 7, 9 (b), 10 (a), and 10 (c), China Trade Act, 1922, are hereby amended to read as follows:

"Sec. 4 (a). Three or more individuals (hereinafter in this Act referred to as incorporators), a majority of whom are citizens of the United States, may, as hereinafter in this Act provided, form a District of Columbia corporation for the purpose of engaging in business in China.

"(1) Hereafter no corporation shall be formed under any law of the United States in China for the carrying on of business within China, except under the provisions of the China Trade Act of 1922, nor shall any corporation hereafter formed, except in accordance with the provisions of said Act, hold itself out as being a corporation formed under the laws of the United States. All laws, parts of laws, rules and regulations in conflict herewith are hereby repealed.

"(b) The incorporators may adopt articles of incorporation which shall be filed with the Secretary at his office in the District of Columbia, and may thereupon make application to the Secretary for a certificate of incorporation in such manner and form as shall be by regulation prescribed.

"(1) The name of the proposed China Trade Act corporation, which shall end with the legend, 'Federal Inc. U. S. A.,' and which shall not, in the opinion of the Secretary, be likely in any manner to mislead the public;

"(2) The location of its principal office, which shall be in the District of Columbia;

"(3) The particular business in which the corporation is to engage;

"(4) The amount of the authorized capital stock, the designation of each class of stock, the terms upon which it is to be issued, and the number and par value of the shares of each class of stock;

"(5) The duration of the corporation, which may be for a period of not more than twenty-five years, but which may, upon application of the corporation and payment of the incorporation fee, be successively extended by the Secretary for like periods;

"(6) The names and addresses of individuals, a majority of whom are citizens of the United States, to be designated by the incoporators, who shall serve as temporary directors, but the number of such temporary directors shall not be less than three; and

"(c) A China Trade Act corporation shall not engage in the business of discounting bills, notes, or other evidences of debt, of receiving deposits, of buying and selling bills of exchange, or of issuing bills, notes, or other evidences of debt, for circulation as money; nor engage in any other form of banking business; nor engage in any form of insurance business.

"(d) No China Trade Act corporation shall be organized for the purpose of engaging in the shipping business unless a majority of the stock is owned by citizens of the United States."

"(e) No company incorporated under this Act shall be authorized to transact any business until at least twenty-five per centum (25%) of its authorized capital stock has been subscribed to and actually paid in cash or, in accordance with the provisions of section 8, in real estate or personal property which has been placed in the hands of the directors, and has filed a statement to this effect under oath with the registrar within six months after receipt of the certificate of incorporation. Upon failure to file such statement within the time specified, the registrar shall institute proceedings to revoke the certificate, as provided in section 14, unless in his judgment he is satisfied that additional time is required to comply with the provisions of this paragraph."

"(f) Every corporation, none of the officers and directors of which are residents of the District of Columbia, shall annually file with the secretary a written power of attorney appointing some practicing attorney at law, who shall reside in the District of Columbia, as its attorney of agent upon whom all legal process against the corporation may be served and who shall be authorized to enter an appearance in its behalf."

"Sec. 6. (b) Shall have a corporate seal and alter it only with the approval of the secretary."

"Sec. 7. Each share of the original or any subsequent issue of stock of a China Trade Act corporation shall be issued at not less than par value and shall be paid for in cash or, in accordance with the provisions of section 8, in real estate or personal property which has been placed in the custody of the directors.

"No such share shall be issued until the amount of the par value thereof has been paid the corporation; and when issued, each share shall be held to be full paid and nonassessable; except that if any share is, in violation of this section, issued without the amount of the par value thereof having been paid to the corporation, the holder of such share shall be liable in suits by creditors for the difference between the amount paid for such share and the par value thereof.

"Sec. 9 (b). The number, qualifications and manner of choosing and fixing the tenure of office and compensation of all directors; but the number of such directors shall be not less than three, and a majority of the directors shall be citizens of the United States and the officers holding the office of president and treasurer, or a corresponding office, shall be citizens of the United States; and

"Sec. 10 (a). Within six months after the issuance of the certificate of incorporation of a China Trade Act corporation there shall be held a stockholders' meeting either at the principal office or a branch office of the corporation. Such meeting shall be called by a majority of the directors named in the articles of incorporation and each stockholder shall be given at least ninety days' notice of the meeting either in person or by mail. The holders of two-thirds of the voting shares, represented in person or by proxy, shall constitute a quorum at such meeting authorized to transact business.

"Sec. 10 (c). The adoption of any such amendment or authorization shall require the approval of at least two-thirds of the voting shares, represented in person or by proxy. No amendment to the articles of incorporation or authorization for dissolution or extension shall take effect until (1) the corporation files a certificate with the Secretary stating the action taken, in such manner and form as shall be by regulation prescribed, and (2) such amendment or authorization is found and certified by the Secretary to conform to the requirements of this Act."

Title 2 of the Revenue Act of 1921 is hereby amended to read as follows:

"Sec. 264 (a). That, for the purpose only of the tax imposed by Section 230, there shall be allowed, in the case of a corporation organized under the China Trade Act, 1922, a credit of an amount equal to the proportion of the net income derived from sources within China (determined in a similar manner to that provided in Section 217) which the par value of the shares of stock of the corporation owned on the last day of the taxable year by (1) persons resident in China, the United States or possessions of the United States, and (2) individual citizens of the United States or China wherever resident, bears to the par value of the whole number of shares of stock of the corporation outstanding on such date: Provided, That in no case shall the amount by which the tax imposed by Section 230 is diminished by reason of such credit exceed the amount of the special dividend certified under subdivision (b) of this section."

"Sec. 264 (b). Such credit shall not be allowed unless the Secretary of Commerce has certified to the Commissioner (1) the amount which, during the year ending on the date of filing the return, the corporation has distributed as a special dividend to or for the benefit of such persons as on the last day of the taxable year were resident in China, the United States, or possessions of the United States, or were individual citizens of the United States or China and owned shares of stock in the corporation; (2) that such special dividend was in addition to all other amounts, payable or to be payable to such persons or for their benefit by reason of their interest in the corporation, and (3) that such distribution has been made to or for the benefit of such persons in proportion to the par value of the shares of stock of the corporation owned by each; except that if the corporation has more than one class of stock the certificate shall contain a statement that the articles of incorporation provide a method for the apportionment of such special dividend among such persons and that the amount certified has been distributed in accordance with the method so provided.

"Sec. 238 (f). For the purposes of this section a corporation entitled to the benefits of section 262 shall be treated as a foreign corporation.

"Sec. 213 (b) (13). In the case of a person, amounts distributed as dividends to or for his benefit by a corporation organized under the China Trade Act, 1922, if, at the time of such distribution, he is a resident of China and the equitable right to the income of the shares of stock of the corporation is in good faith vested in him."

THE SERIOUS CRISIS IN THE SALT GABELLE

A tempest is now brewing in the administration of China's salt revenue department that may have the effect of most serious political consequences and may even go to the extent of further shaking the stability of this important revenue producing branch of the Chinese government which is security for a number of important foreign loans. It is pretty difficult to get at the bottom of the trouble, but out of a mass of correspondence and and other material which has come to the attention of the *Review* it appears that the rights, supposedly protected by law and old custom of the old or Hwai salt merchants, in recent months and years have been gradually infringed upon by a new set of salt dealers, the principal one being a firm which is understand to have official backing, known as the Chiu Ta Salt Refining Company.

In the issues of the *Review* for January 26 and February 2 there appeared articles dealing with the ancient and recent history of the Chinese salt tax and the administration thereof. Salt has been taxed in China and has been a chief source of governmental revenue since earliest times, some authorities giving the date of origin as far back as 2200 B. C. during the reign of the mythical emperor Yu of the Hsia dynasty. The early records contain frequent references to the production and taxation of salt. In the Tang dynasty, 7th century, A. D., there were said to be eighteen salt lakes and 640 salt wells under the control of the Board of Revenue and that taxes were also levied upon salt produced from sea water. During this dynasty a certain reformer named Liu Yen is reported to have organized a system of salt administration whereby government control was exercised in the producing districts and transit taxes were abolished. Merchants were permitted to transport salt any place they liked and the government maintained stores in remote districts to prevent suffering on the part of the people from a scarcity of this important element of diet.

In the Sung dynasty (960-127 A. D.) the system of merchants' transportation was introduced. Permits called *Yin* were issued by the central government on payment of the tax and the oountry was divided into *Yin* areas in each of which a merchants' monopoly was established. This system was elaborated in the 14th century by Hung Wu the first of the Ming emperors in which salt permits or *Yins* were issued in exchange for rice for the government stores. Toward the end of the Ming dynasty the administration, however, disintegrated and the revenue fell off, according to the records. During the Ch'ing dynasty the salt-produing areas were divided into ten districts, each with the control of a high official who was at the same time the viceroy of the province. However the salt *taoti* remained the actual administrator of salt affairs. Government and merchants monopolies existed side by side and later on abuses crept in to such an extent that the administration degenerated into a chaotic condition and there were insistent demands for reform.

A serious attempt at reform was made in 1909-10 when a central Salt Office or *Yin Cheng Yuan* was established at Peking under the control of the Minister of Finance. Progress was checked by the revolution of 1911 and no effective reforms were introduced until the reorganization of 1913 was undertaken and the present Central Salt Administration was established. On May 13, 1913 the Chinese government negotiated the Reorganization Loan by Article V of which the government engaged itself to "take immediate steps for the reorganization, with the assistance of foreigners, of the system of collection of the salt revenues of China." The Central Salt Administration now known as the *Yen Wu Shu* was established in Peking under the control of the Minister of Finance.

The production and consumption districts for salt within the Chinese Republic are as follows, according to an articles on this subject in the *Encyclopaedia Sinica:*

Chief Producing Districts	Consumption Districts	Nature of Salt	Method of Manufacture
Fengtien	Fengtien, Kirin, Heikiang	Sea	Solar Evaporation
Chihli	Chihli, E. Honan, N. Shansi	"	"
Shantung	Shantung, N. E. Honan, N. E. Anhui and Korea	"	"
Kiangsu	Anhui, and parts of Kiangsu, Kiangsi, Hunan and Honan	"	Solar Evaporation and boiling
Chekiang	Chekiang, and parts of Kiangsu, Anhui, and Kiangsi	"	"
Fukien	Fukien and parts of Chekiang and Kiangsi	"	"
Kwangtung	Kwangtung, Kwangsi, and parts of Kiangsi, Hunan and Kweichow	"	"
Yunan	Yunan and W. Kweichow Ssuch'uan, N. E. Yunan Kweichow, Hupeh and S. Shensi	Well	Boiling
Shansi	Parts of Shansi, Shensi, (Yuncheng) and Honan	Lake	Solar evaporation
Shensi, Kansu	Kansu, and parts of (Huamachih) Shensi	"	"
Mongolia	Parts of Chihli, Shensi and Kansu	"	"

All administrative functions according to the above source of information, other than those assigned to the Chief Inspectors and Districts Inspectors fall within the sphere of Chinese Salt Commissioners, one of whom is in charge of each salt producing District. These Salt Commissioners regulate the manufacture and transportation of salt and control the Preventive Forces. In non-producing Districts there are Chinese Transportation Officers, who are charged with the supervision of the supply and distribution of salt to the people by merchants. The government fixes a maximum price at which salt may be sold in each area.

The principle of taxation adopted after the reorganization agreement is that of a single direct tax at the source, in theory at least, but the condition existing in 1913 consisted of a direct tax around which was grouped a most complicated medley of additional taxes imposed from time to time as necessary arose or opportunity offered and seldom of ever abolished when once imposed. According to the records available it is said that the largest amount if money remitted to Peking at any time previous to 1913 was never in excess of Tls. 13,000,000. However the amount remitted after the loan agreement immediately began to increase and from May 21 the date of the agreement to December 31 the sum amounted to $17,576,154 and it has steadily increased. The chief charges against the salt revenue are the "Crisp" Loan of £5,000,000, the Reorganization Loan, £25,000,000, such parts of the Boxer Indemnity as may from time to time not be covered by the Customs revenues and the issued portion £6,000,000 of the Hukuang Railway loan of 1911.

The first foreign administrator of the Salt Revenue Department was Sir Richard Dane who acted in conjunction with Admiral Tsai Ting-kan the first Chinese Chief Inspector under the new system. In 1914 the net revenue of the Salt Administration amounted to $60,409,675.75 and the cost of administering the tax amounted to $4,897,054 or about 9.7 percent of the revenue. In 1915 the amount paid into the group banks was $69,277,536.42; in 1916 it was $67,244,055.99. The amounts remitted from 1916 to 1920 averaged from seventy to eighty million dollars. In 1921 the amount was $77,988,000 a decrease from the two previous years and in 1923 the amount was $79,545,000 a decrease of $6,244,000 from the previous year of 1922.

The present foreign co-director of the Salt Administration is Sir E. C. C. Wilton formerly a member of the British Consular service in China.

So much for history: now for the present complications.

It seems that the matter of producing salt in modern refineries is a comparatively new process in China and was started purely for the purpose of

competing with foreign salt brought into the treaty ports, but because of what is claimed to be more efficient methods of operation the modern refineries have, "in violation of its own constitution and in open definance of the Administrative Court, been shipping salt in hemp bags to the four Hwai districts for sale and are now petitioning the Salt Administration permission to transport twenty thousand tons more to these same districts."

The original production of the principal refining company was, according to report, some 320,000 piculs (1 picul equals 133 1/3 pounds), but if their output is increased 20,000 tons in accordance with their petition to the Salt Administration their total output would equal to more than 160 great *piaos* of Hwai salt. Their object it seems is to replace the salt in the Hwai districts. On the face of things this may not appear serious to the average person but according to the petitions of the Hwai merchants it will put tens of thousands people who have been engaged in the production of salt in the Hwai districts out of business and destroy many millions of dollars worth of capital investment.

According to a recent report, this matter was presented to Sir Wilton recently who promised to appoint a special commission to work out a solution of the conflict between the rival salt interests, but up to date nothing definite has been accomplished.

The modern salt refinery interests on their behalf claim that there is waste and abuse in the production of salt under the old method and that the monopoly districts which have been in existance for centuries should be abolished and the whole business of producing salt turned over to the new companies, especially one special company which is supposed to be largely owned by certain officials or former officials.

The Hwai salt merchants say in their behalf that The quantity of refined salt that is now being poured into the four Hwai districts is increasing daily and the bitterness of the struggle between the Hwai merchants and the salt refining companies is becoming more and more intense. Unless a radical solution can be found there is bound to be most serious consequences. The Huai Merchants Guild-General has, according to report placed before the Salt Administration the following conclusions:—

"(1) Legally speaking, selling salt outside the prescribed areas is *illegal*. The reason that there must be distinct selling areas is because there are many producing areas in the country and if the respective selling areas are not distinctly defined, there will be confusion and endless quarrels which will result in still further difficulties in the matter of tax collection. It is therefore necessary that before any new system is introduced and put in force the existing system must be strictly adhered to. That is, before the abolishment of the selling areas, the old laws concerning the rights and privileges of the merchants in these particular areas must be respected. For instance, even if a set of new regulations were contemplated for January, 1924, all cases filed with the authorities up to December 31, 1923 should still come under the old law. The decisions of the Administrative Court should as a rule have a binding effect on the Government office. It is therefore surprising to find that in this case not only was the decision of the Administrative Court not obeyed by the Salt Administration, but it has given permission to the Chiu Ta company to produce 20,000 tons more of which a greater portion would be transported to the Hwai districts for consumption.

"The four districts of Huainan extend over an area of several tens of thousands of square li. The transportation merchants with a capital of tens of millions of dollars are undertaking to transport salt to distant and difficult localities under strict government supervision, encountering manifold difficulties in shipping limitations, facing the possible loss in not being able to sell all the salt at its destination, burdened with a heavy taxation, and, last but not least, increasingly threatened by the provincial military authorities who sieze upon their capital for military purposes. These merchants, however, are not receiving due protection from the government. Their grievances do not receive attention. Their interests are allowed to be invaded by new companies which have no responsibilities and are given facilities by the Government to compete with the difficulty-ridden Hwai merchants, many of whom have been obliged to lose heavily and ultimately give up their business.

"Now it is easy to understand that more profit can be made by marketing salt in easily accessible places than in the distant and less easily accessible places. The Hwai merchants are required by law to ship salt with great difficulties to all the distant places allotted to them. Very often in doing so they lose money and they hope to be compensated by a better profit in marketing salt in easily accessible quarters. Now since the invasion of refined salt into all the more easily accessible places, all the profits that the Hwai merchants hope to make are taken out of their hands, leaving them only such distant markets into where the salt refining companies do not care to go. Is this state of affairs doing justice to the Hwai merchants?

"(2) The Hwai salt must necessarily be inferior in quality as compared with the refined salt. The cost of production of refined salt is higher than that of the Hwai salt. This being the case, one may ask how can the refined salt compete with the Hwai salt. The explanations are five. First is the question of purchasing price. The Changlu salt is cheaper than the Hwai salt. According to Sir Richard Dane, the price of Changlu salt at Tangku is eleven dollar-cents per picul. According to our estimation the price of Changlu salt at Tangku is fourteen tael-cents per picul. The price of Hwai salt, according to Sir Richard, is fifty dollar-cents per *pao*, and when transported to Shih Erh Wei it is one dollar per *pao*. Our own estimation of the price of Hwai salt is 1910 cash per *pao* at Shih Erh Wei, which is equivalent to 92.26 tael-cents per *pao*. From this it will be seen that the price of Hwai salt is more than double the price of Changlu salt. Allowing 10% to 20% of loss in turning the raw salt into refined salt, the difference in cost is still considerable.

Furthermore the cost of steamer transportation of Changlu salt from Tangku to Shih Erh Wei is, according to Sir Richard, 26 dollar cents per *pao*, and, from Shangtung to Chen Ling Chi in Hunan, 42 dollar-cents per *pao*. Although Shantung is nearer to the destination than Tangku, the difference in cost of transportation by steamer is immaterial. According to our own findings the cost of transporting salt from Tangku to the four Yangtze areas is on the average 50 dollar-cents per *pao*. With regard to the Hwai salt only 200 *pao* of salt is allowed to be shipped by steamer; the balance is restricted to transportation by native junks. From Shih Erh Wei to Hunan the cost of transporting one *pao* of salt is 40 tael-cents, from Shih Erh Wei to Kiangsi, 31 tael-cents, from Shih Erh Wei to Kiangsi 31 tael-cents and from Shih Erh Wei to Anhui 12 tael-cents. Although these figures show a slight saving of transportation expenses of the Hwai salt in comparison with that of the Changlu salt, it should be remembered that there is the transshipping expenses to incur at Shih Erh Wei, which, combined with the delay of several months and consequently the greater amount of loss of salt by dissolution on the way, brings the transportation cost of the Hwai salt higher than that of the Changlu salt.

"Thirdly, the Hwai salt bears a heavier tax than the refined salt. Strictly speaking, the refined salt to be sold in the four Yantze areas ought to pay a Hwai tax as is applied to all Changlu salt transported by the Hwai merchahts. But according to information received the salt refining companies are only paying a production tax of $2.75 per picul at Changlu. The companies claim that as it takes 140 catties of raw salt to make 100 catties of refined salt, they are actually paying $3 90 per picul for their refined salt. They used to pay a tax of 60 dollar-cents per picul for salt to be transported to other ports than it was originally destined for. But in the seventh month of the tenth year of the Republic even this tax was exempted from the refined salt through their petitioning the authorities. If all this is true, then the refined salt is paying a smaller tax than the Hwai salt.

"Fourthly, the salt refining companies transport their product to the four Yangtze areas either by rail or by steamer. As their producing areas are situated in places where means of communication is efficient, it is easy for them to ship their cargo to places where it is most needed. They do not need to store their salt for months and years resulting in loss of time and capital. With the Hwai salt it is different. The Hwai merchants are not only restricted by a time limit for transporting their salt to the destinations, but are also obliged to use native junks for transporting most of their salt. Having arrived at the destinations the cargo is distributed among tens and hundreds of shops which compete with each other in selling it. In many cases the salt accumulates at its destination for several months or even a year, resulting in loss of interest on the capital. Where the market is invaded by refined salt and other illegal salt the disposal of the accumulated salt becomes even more difficult.

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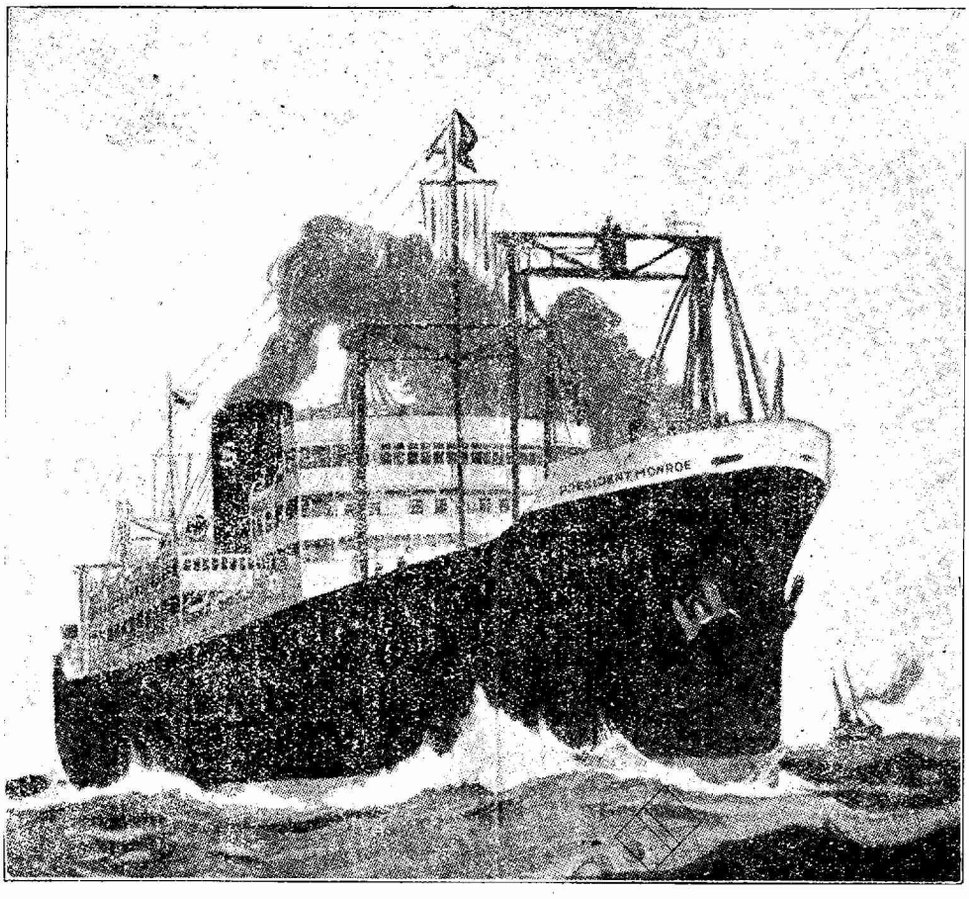

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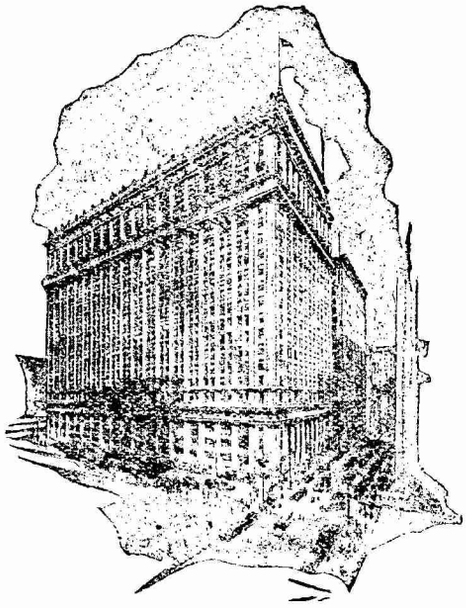

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Lastly, there is the so-called *piao* rent. It is an open secret that the Hwai salt is handled not always by merchants who possess the *piaos*, (The merchants have to pay a large sum to the government for the privilege of possessing and keeping these *piaos* or to the original owners of these *piaos* in order to carry on the salt transportation business), but, in many cases, it is handled by merchants who rent the *piaos* at a yearly rent of from two to three thousand dollars per *piao*. The salt refining companies do not have *piaos* and do not need them. Wherever they can dispose salt to the amount of one *piao*, they make a clear profit of from two to three thousand dollars more than the Hwai merchants. From the above-mentioned five points it is easy to be seen that although the cost of production of refined salt is greater, the merchant handling it can still successfully compete with the Hwai merchants in their own ground.

NOTE:—Further discussions of the subject will appear in early issues of the Review.

A School to Teach Chinese Self-government

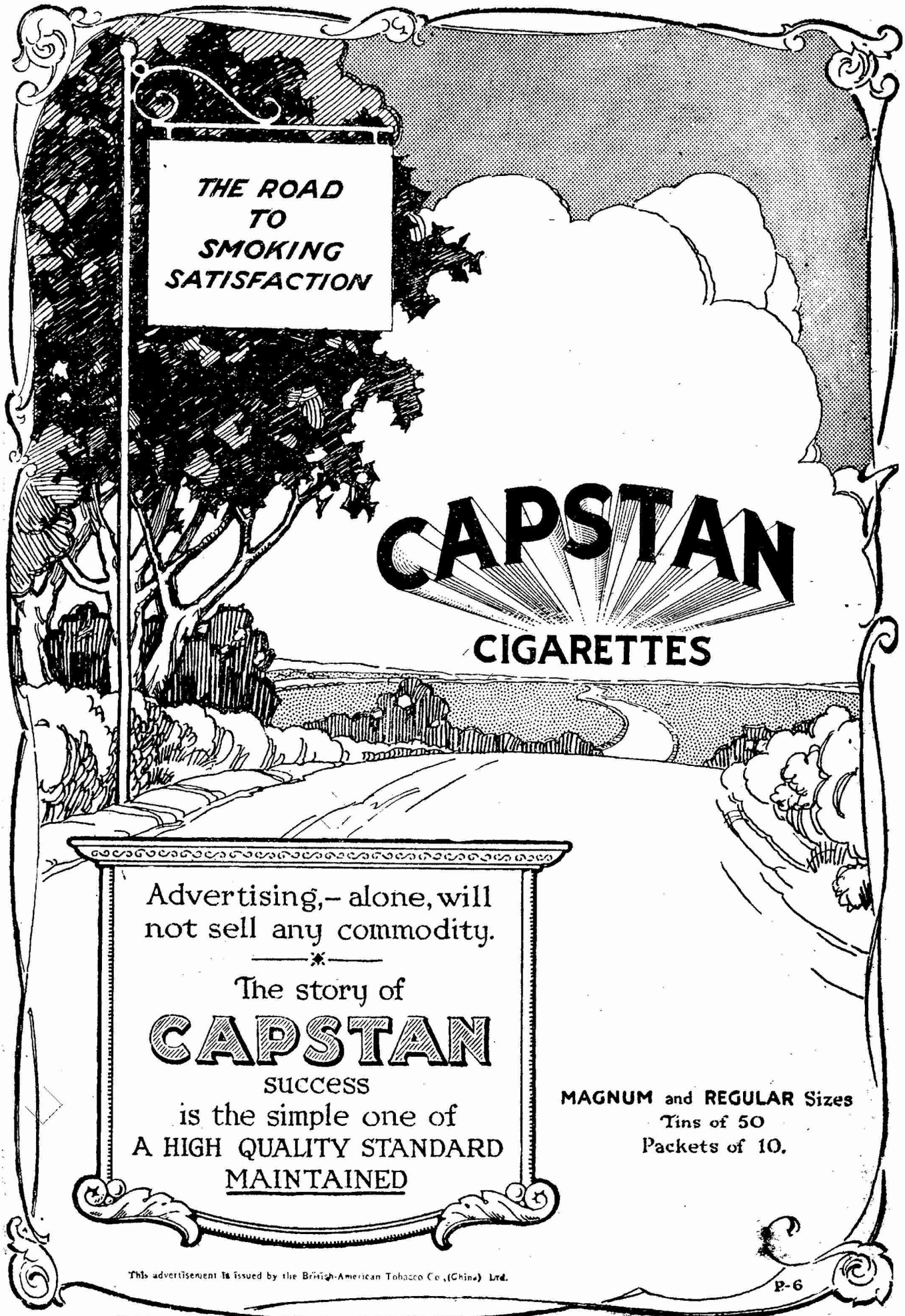
Believing that China is more in need of high-minded men in legislative and executive positions in the government and a populace that is intelligent as to the duties as well as the privileges of democratic government, than of self-evident laws, a National Institute of Self-government has been founded in Shanghai.

The plan for the Institute had its start in an informal conversation between Governor Han Kuo Chuin of Kiangsu and Mr. Carson Chang a year ago while discussing the need of self-government, and the matter was seriously brought up again during the latter's visit to Nanking last summer while accompanying Dr. Driesch on his lecture tour. Due to the enlightened leadership of Governor Han and the enthusiastic support of different friends, some leading the movement for clean politics in the national legislature and some actively engaged in educational, industrial or journalistic work, either nationally or provincially, the Institute was formally heralded in last September. It is to be a national institution for political education, and its expenditure is paid mainly from the National Treasury of the Kiangsu Province. Owing to the press of time, a building at 88 Avenue Road, Shanghai, was rented as temporary quarters to accommodate classes for the spring semester. Meanwhile, one hundred and twenty mows of land have been purchased in Woosung, a suburb to Shanghai, for a permanent site, and plans for building construction will be executed as soon as funds are available.

There are four courses given in the Institute—provincial, municipal and rural governments, and social work. These are all four year courses with a common freshman curriculum. Students after having finished the requirements of graduation, and those having done an additional year's study and research with a satisfactory dissertation will be given the degree of Bachelor of Arts. From the viewpoint of self-government, the object of the first three courses needs no further comment. As to the last course, it is the earnest desire to train men and women who will devote themselves to the work of social reform, which is the fundamental requisite to facilitate and stabilize political reform and for which pioneer workers are at present so lamentably lacking

In organizing the courses, the importance of giving to the students not only a broad fundamental knowledge and training but also an understanding of actual conditions has been constantly kept in mind. Current history after modern history, glances at the central and different provincial governments after public finance, and present governmental system and administrative law after politics—these are the sequences to be followed. As policies to effect thoroughgoing changes and as means to tackle the present chaos, a firm belief in the federal system of government and the militia system is reflected in courses given on the comparative state constitution and the Swiss militia system. The latter system is free from the danger of militarism and, if adopted, would arm the Chinese people against their warlords, under whose feet the whole nation has been groaning for years.

Concerning educational policies, the organizers were particularly fortunate in having suggestions and advice from Dr. Charles Beard of Columbia University and Dr. Charles Coulter of West Reserve University, both of whom were in China last year. After discussing the general situations prevailing in China, Dr. Beard heartily agreed that the need for a new type of men to lead the future destiny of China is just as important as the need for a good governmental system and the means to effect its establishment. To him the Institute is also indebted for the suggestion of making researches and surveys under capable guidance. It is planned to have scholars from America or Europe as members of the faculty, who, besides teaching, will conduct the work of research. Their impartial viewpoints and their thorough appreciation of conditions in their own countries as a background will contribute an invaluable part in the co-operation of Chinese scholars.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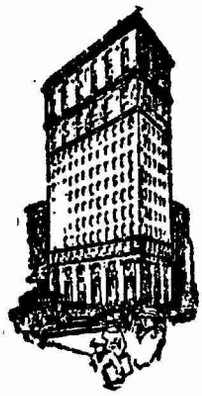

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A French Criticism of U. S. Policy Toward China

BY GEORGES DUBARBIER

Note:—This unusually interesting and significant French viewpoint on American policy toward China appeared originally in La Nouvelle Revue for December 1, the republican literary and political semi-monthly published in Paris. The English translation appearing herewith is from the Living Age, Boston, for January 19.

IT is no secret for those who follow with attention affairs in the Far East that America's growing influence in China is gradually bringing that country under the economic control of the United States.

For several years, and particularly since the war, the missionaries, commercial travelers, and manufacturers of that country have carried on in China a programme of peaceful penetration, successfully and powerfully supported by their government—a government that professes to be the least imperialistic in the world! It is not necessary to wear a sword or to talk in a military imperative in order to be a conqueror; one can often make broader and more enduring conquests with a Bible under the arm or the last Yankee notion in one's pocket. New China, left unprotected by the arrogance and incapacity of its rulers, falls an easy victim to persuasive advances. Therefore the missionaries and business men of America, the advance guard of a rich and insatiable nation, constitute an economic army far more dangerous than invaders with cannon and rifles.

Up to 1920 the United States held an honorable but not a preeminent position in China. Official statistics of the Chinese Republic at that time ranked Americans fourth, after the Japanese, the Russians, and the English, with 412 business houses and 8,230 citizens domiciled in the country.

Probably this seemed unsatisfactory to Washington, for ever since the war that government has been mobilizing its vast capital reserves for economic expansion in the Orient. Its strategy is neat and effective. Its object is to secure first place among the nations struggling for the Chinese market, to oust European trade, especially that of England, and to call a halt to the aggressive enterprises of the Japanese. So the gentlemen at Washington have issued orders to their loyal and grateful subjects in Asia: their missionaries, both Protestant and Catholic, their doctors and medical missions, their Y. M. C. A. organizers, and a whole host of their kind. These propagandists were effectively supported by the moral and, above all, the financial backing of their countrymen.

Simultaneously a liberally financed press flaunted everywhere the blessings of American civilization, the consolations of the Bible, the superiority of American products—in a word, the biggest advertising campaign on earth was begun.

We do not criticize the United States for its policy of publicity. Every nation has its own methods, and we all know that good taste and moderation are not typical traits of our transatlantic neighbors. We do not criticize their desire to hold the first place in China—that is due partly to their sporting spirit.

But we do wish to emphasize the insinuating and hypocritical tactics of these *arrivistes*. Priests and preachers of every denomination are less intent on conversions than on commerce. They are not missionaries seeking to evangelize indifferent Chinamen, but commercial travelers preparing the way for the financiers, and promoters of their country. Their leader is naturally the American Minister at Peking. That official is invariably a 'representative,' in precisely the meaning that we give that word in trade. It is impossible to call such sandwich-men of American wares diplomats.

America has taken shrewd advantage of the anarchy that has overwhelmed China for the last ten years to further her tireless commercial propaganda. Some American missionaries even boast that they really started the Revolution of 1911, which over-threw the Manchu Dynasty. Behold these reverend gentlemen transformed into political agitators, and troubling the waters of the Heavenly Kingdom in order to fish more successfully in their depths!

Unquestionably, Young China—that is to say the men who have succeeded the Manchus in control of affairs—has been fairly benevolent to the moral and material enterprises of the Yankees. Most of these new politicians were educated in American universities. They doubtless honestly believed that by calling their government a republic and copying the trademark U. S. A. they could magically transform an ancient empire into a modern State. We shall not try to describe the horrible mess they have made of their experiment. We wish simply to point out the close sympathy

AN EASILY UNDERSTOOD BANK STATEMENT

The

American - Oriental Banking Corporation

Shanghai

Statement of January 1, 1924

THE BANK OWES:—

To Depositors (Total deposits on above date)	$3,444,556.98
To Note-holders (Total A. O. B. C. bank notes outstanding)	1,016,000.00
To Obligations under Letter of Credit	493,327.90
To Customers (For accrued interest, etc.)	78,783.82
TOTAL LIABILITIES OF THE BANK:—	$5,032,668.70

The careful banker always has the repayment of these obligations in mind and arranges his assets accordingly.

TO MEET THESE OBLIGATIONS, THE BANK HAS:—

1. REGULAR CASH RESERVE	1,358,176.66

Kept in our Vaults and on deposit in local banks—payable on demand

2. BILLS PURCHASED UNDER LETTER OF CREDIT	583,825.57
3. STOCKS AND BONDS	229,487.34

Immediately saleable

4. LOANS AND DISCOUNTS	2,394,428.13

Secured by collateral worth on the average 1½ times the amount lent and maturing in less than three months.

5. REAL ESTATE AND OTHER ASSETS	906,068.28
6. FURNITURE AND FIXTURES	19,851.28
TOTAL TO MEET INDEBTEDNESS	$5,491,837.26
THIS LEAVES A SURPLUS OF	$459,168.56

Which represents the investment of the Stockholders in the bank and is a margin of safety which guarantees the security of the depositors.

The above listed resources do not include the item of GOOD WILL, which nevertheless is one of our most valued assets. While no monetary value is assigned to this factor in the foregoing statement, it is largely upon this element—gained, we believe, by years of sincere effort to render a friendly, personal banking service—that we base our expectation for the continued growth of the bank.

28-013

between New China and Washington, and the skillful way the latter government has played upon the sentiments of its disciples. It will then be time to ask if the attitude of the Americans has been disinterested, and if it has not encouraged the present political demoralization in China.

We have already pointed out how American banks have lent farsighted financial support to humanitarian enterprises that serve their propaganda. The government at Washington made a great demonstration of renouncing its share of the Boxer indemnity. This gift really consisted in remitting half of the amount due and donating the remainder to establish and support a college at Peking, which has proved a marvelous propaganda agency for the United States.

When the break-up came after the Revolution, the Americans saw that their interests required them to keep a sharp eye on every factious leader. They have managed to put a military or religious adviser of their own on the private staff of each *tuchun*, or quasi-independent fief-holder, in the so-called Republic. This device enables them to keep promptly and fully informed concerning the plans of these local chieftains, while they simultaneously pay court to the Central government, if we may so call the phantom administration at Peking. There the Americans evoke the Japanese specter. They have used that scarecrow with great effect, for every Chinaman cherishes a longstanding hatred for his powerful Asiatic neighbor, which needs little stimulus from an outside source. And it is not the least paradoxical aspect of the whole situation that China, powerless and rent as she is by civil war, has thereby been able to win a diplomatic victory that she probably never dreamed of gaining. This brings us to the Washington Conference.

After reading the debates of that memorable Conference, one sees clearly that China was treated as the most favored nation there by the assembled diplomats of two hemispheres. Undoubtedly she owes this to the benevolent patronage that the United States lavished upon her, in pursuing its anti-Japanese policy. Eyewitnesses have reported at length those indescribable sessions, where China was treated as a Great Power, placed on the same footing as the old nations of Europe, although she was plunged in anarchy and still lingered in the civilization of a feudal age. Clever work!

Shrewd schemers as they were, the American representatives must have laughed in their sleeves when they heard their favorite disciple, Wellington Koo, China's chief delegate, enumerate his country's claims. This son of the old Celestial Empire, backed up by his wowerful patrons, proved a grateful student of the country that had trained him. If China ever recovers her unity and puts Dr. Wellington Koo at the head of her government, she unquestionably will be Americanized as by a mere wave of his wand. He is a gentleman who has lost his root, to use a common phrase in his country. He has even Yankeefied his Chinese name, Koo Wei-Kwon, into its present form.

We can easily imagine how pliable he was in the hands of the shrewd politicians at Washington. The Japanese danger was impressed upon the Chinese for a political object. We do not know how real that danger is, but we are convinced that other greater perils threaten China.

The results of the Washington agreements were soon felt. Even while the Conference was in session the Chinese delegation adopted a rather impertinent air toward foreign delegates. When Wellington Koo returned to his country radiant with a halo of success, his Young China comrades received him as the country's emancipator from the Japanese and the herald of her elevation to the unquestioned status of a Great Power prepared to shake off all the shackles that the Western nations had imposed upon her. Amorphous as the nation is, its people detected at once that the Japanese were evacuating Shantung and shedding their former arrogance; that foreign post-offices were being closed and the customs duties were being raised. To the common people these were irrefutable evidences that their government had won a victory over the foreign devils, and their pride was correspondingly tickled.

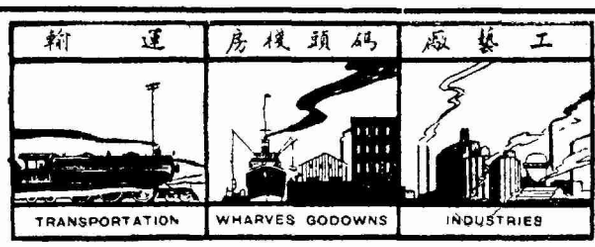
From this state of mind it was but a step to contempt for the feebleness of foreigners. Anti-foreign agitators plucked up courage; and we know what that means in China. After the Washington Conference the nation, already a chronic prey to anarchy, added to its ills a campaign against all strangers. Official circles have futilely tried to deny the existence of this agitation, by ascribing the recent troubles to banditry. We are reliably informed, however, that the whole anti-foreign movement has its roots in the concessions made China at the Washington Conference.

During the past year outrages have multiplied. Missionaries and engineers have been kidnapped and ransomed in Honan, a convoy has been attacked in Manchuria, and last of all at Lincheng, in Shantung, a passenger train has been stopped by bandits and European travelers carried off into captivity. This last outrage stirred the Powers to action and they began to reverse their recent policy, when they saw liberty thus degenerating into licence.

Even resident Americans, who heretofore have been enthusiastic champions of 'Free China,' are finding the situation intolerable. The American Chamber of Commerce at Shanghai has telegraphed the Washington State Department that present conditions are undermining American prestige, and has urgently recommended revoking the privileges accorded China by the Washington agreement. Merchants at San Francisco and elsewhere have condemned 'the privileges that we have been so imprudent and ill-advised as to grant that country.' Let these people thus do penance for the agitation that their Bibles and their dollars have started in the 'Middle Kingdom.' But unhappily the Americans will not be the only victims of the new disorders. The French, the English, the Japanese, and the Italians are also 'foreign devils.'

American statesmen have therefore assumed a grave responsibility in China, and what is worse, they do not seem ta realize what they have done. The foreign envoys sent a joint note to the Peking Cabinet protesting against the Lincheng incident, which the Ministry accepted after much quippling, promising that China would indemnify the victims and punish the guilty. But there was no mention of foreign policing of the railways, which is the only effective way of preventing a repetition of such outrages. England advocated that, and France and Italy supported her with vigor. But the United States would not listen to such an encroachment upon the principle of Chinese sovereignty, as affirmed by the infallible Conference at Washington. Let strangers perish, let the railways of China go to rack and ruin, but respect our principles!

China is a country rapidly disintegrating, while her political and military chieftains intrigue and fight each other. She must have foreign advice, foreign financial aid, foreign moral support—in a word, real friends. Her pride and stupidity have delivered her into the hands of an enemy of Japan, which does not mean a friend of China. In a word, her present mentor has merely made confusion worse confounded, and that without cause or reason.



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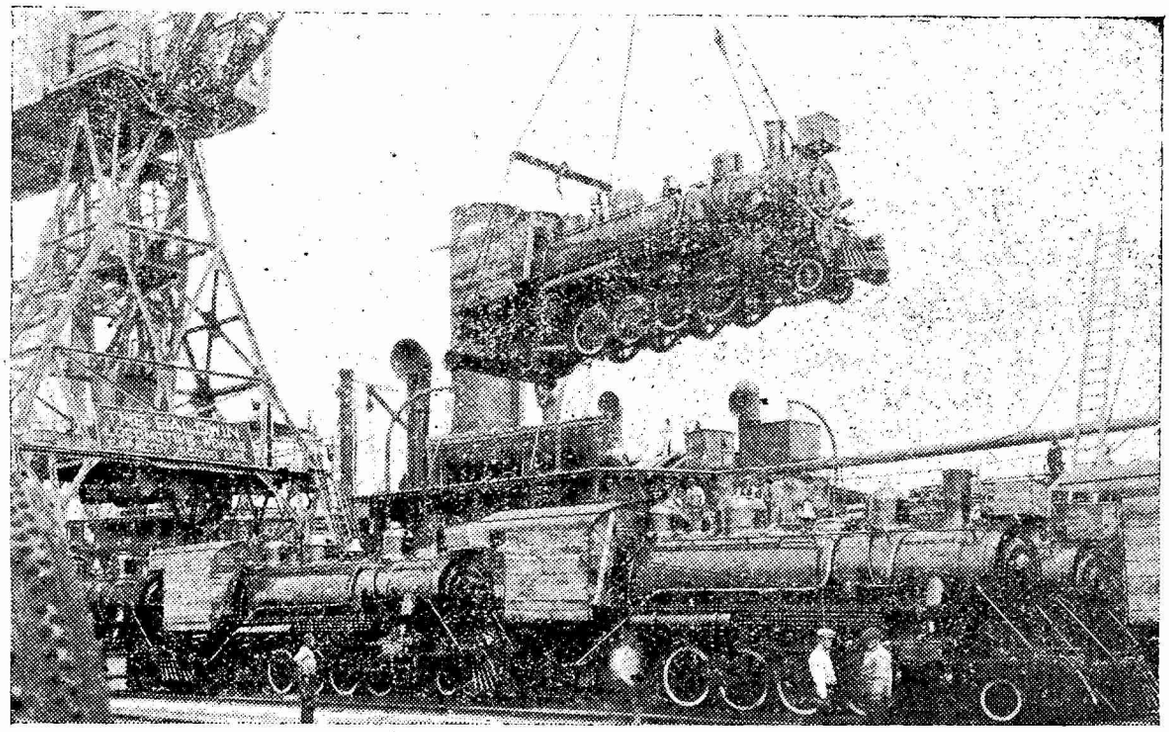

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Twenty Years of Japan in Dairen

BY JOHN GOETTE

THE booming of firecrackers on February eighth in Dairen, could scarce but recall a similar but more profound noise just twenty years ago February eighth, 1904—when the first shots of the Russo-Japanese War were fired and the death knell of Russian domination in Manchuria began to toll. In the twenty-four hours following, nine Russian war vessels were rendered helpless by the Japanese fleet under Admiral Togo.

Within four months, on May thirtieth—there was a Japanese military governor in Dairen and the fight to make that entrance to Manchuria an important world port begun. When the visitor to Dairen recalls that twenty-four years ago the fisherman inhabitants of the present site could be counted on one's fingers, and that twenty years ago the Japanese inherited through their gallant fight, the small spot which today appears on the map as the Russian Machi, a most minute fraction of the modern Dairen, he admits to himself that the indomitable spirit shown on the steep hills of Port Arthur has again been duplicated in the peaceful development of the Kuantung port.

According to the statement of the Chinese Maritime Customs Collections published by Sir Francis Aglen on January first of this year, Dairen was second only to Shanghai in the revenues which it brought into the coffers of the Chinese government. In 1923 there was collected Hk. Taels 5,690,300 in customs dues, making an increase over the previous year of Hk. Taels 232,700. In 1917 it was rated as fourth among the Chinese ports on a basis of customs collections. This large sum of money is collected despite the fact that Dairen is a free port. All imports for local consumption are admitted duty free while those passing to the interior must pay.

When the Russian Czar instructed his engineers to "Build a city which would be the Metropolis of the Far East," he scarcely could foresee that although the city would rise, its masters would be a group of Japanese such as he had never known. Thus when the Japanese took over Dairen they found a wonderful set of plans from which the city was to emerge but in actual construction only a few hundred yards of docks and a very small section of the city. From that the Japanese have developed Dairen until it has today a population of slightly over two hundred thousand, eighty-five thousand only of which is Japanese, the remainder being in the major part Chinese. The yearly expenditure on building operations is placed at two and a half million yen, which is being put into permanent structures of modern Western architecture.

The moving force behind Dairen and Japanese developed Manchuria is, of course, the great South Manchuria Railway, which showed a net profit for the last fiscal year of 35,080,243 Yen. That was the case despite the highly paternal methods of the Railway which is responsible for such ordinarily governmental institutions as public schools, hospitals, roads, harbors, afforestation, bathing beaches and the general development of the hinterland beyond Dairen. The South Manchuria Railway with its seven hundred miles of operated lines ranks second to the Peking-Hankow Railway in mileage of rails in China.

"Why do not more American business men interest themselves in Dairen?" was the question repeatedly asked by the Japanese during a recent visit. The Japanese living there have the utmost faith in its future and they wish to develop it to the greatest extent, beyond even the means they have at hand, hence they seem to welcome the assistance of Western business.

American interests are already alive to the possibilities of Dairen. The American Consul, Mr. Sturgeon, has plenty to keep him busy and there is even some comment as to getting a second consul. Some thirty Americans reside in Dairen at the present time and a fair share of business is theirs. One of the outstanding features of the skyline, is the skeleton of the big South Manchuria Railway Hospital which an American engineering firm is erecting. This will be completed in two years at a cost of close to five million yen and is expected to be one of the best equipped medical establishments in the Far East not excepting the Rockefeller Institution in Peking.

Many of the men charged with handling the Railway interests and even the Kwantung government, have received their vital training in America. Baron K. Okra, of the Board of Directors, studied railroading in America. He, with many of his colleagues, naturally favors American methods so that the Railway very closely resembles its kindred in the United

States. Baron Okra stated that at the present time there was an order for several locomotives now being filled in America. He also added that he considered Colonel John Stevens the foremost authority on railroading in the world today.

Likewise the general atmosphere of the men who are boosting Dairen is very similar to that of an American discussing his home town. They refer to the nine miles of different kinds of piping used in building the new Yamato Hotel, they advertise the smokestack of the electric plant as "the tallest chimney in the Far East", and they take visitors to the roof of the new eight story Wharf Office to look over the city and note among other things, the smoke belching from the seventy-two bean mills in operation.

Perhaps the best exmple of the will-to-do displayed by the Japanese there may be found in the scientific research being carried on in the Central Laboratory of the South Manchuria Railway at Dairen. Here again are to be found many chemists with long training in American universities and laboratories. One man was busily engaged over a retort investigating the essence of the lowly garlic, delving into the properties which make the Chinese coolie, who eats so much of it, a powerful worker, even to the point of moving six tons per day, which is the average figure of the workers on the docks at Dairen, At another table, the never ceasing experiments with the soya bean products were going forward. Already the scientists of the Railway have evolved a system whereby the oil is separated from the bean by the use of benzine, so that every drop of oil is saved and the bean cake is still more valuable for fertilizer and animal fodder than under the old press mill system. By the introduction of hydrogen gas this bean oil is changed into stearin, which is perhaps, the most valuable of all bean products. It is of a very good quality and used in the manufacture of first grade soaps combined with the more highly advertised but costly oils. Other products developed out of the bean oil include olein, used as a basis for butter and lard substitutes, glycerine, and many varieties of oils.

The shale from the Company's coal mines at Fushan likewise comes in for study at the Laboratory where they have worked out methods for the extraction of shale oil, mineral products and many kinds of lubricating and light oils. Tussah, the wild silk of Manchuria, is receiving attention looking toward the breeding of healthy worms which will produce more and stronger silk fibre.

Baron Okra expressed the hope of the South Manchuria Railway that an agreement might be reached with the Chinese Government Railways for through traffic between the lines concerned. For several years conferences have been held to discuss that question but thus far passengers en route to China from Japan must change at Mukden, the terminal of the South Manchuria Railway. Another question in which China is involved is the relation between the South Manchuria and the Chinese Eastern Railway, which it joins at Changchun. The much discussed Changchun Freight Agreement signed in 1921 between those two lines with a view to bringing trade to Dairen, has not worked out as successfully as might have been expected according to Baron Okra, and further readjustment is necessary. On the subject of this neighboring Railway, he said he considered Dr. C. C. Wang, its President, the ablest railway man in China today. Baron Okra likewise commented favorably on the ability of the Chief Engineer, Mr. Oustrumoff.

The Chinese population of Dairen has steadily increased so that today it is estimated to be roughly one hundred and fifteen thousand. This coming of Chinese, not only to the port, but back into Manchuria, was proudly referred to by the Japanese officials as an evidence of the satisfaction prevailing among the Chinese for their administration of the leased territory. The new municipal government of Dairen, which is still in the experimental state, provides for a council in which there are two Chinese members appointed by the government.

In conversation with officials both of the Railway and the government, the idea was time and time again expressed that the policy was to make the Chinese contented with the Japanese rule through fair treatment. To substantiate that they point to schools, running through all grades up to the technical institutions of higher learning, in which the Chinese are the only students or are on equal footing with the Japanese. Public institutions of every sort have been established in the leased territory of which the Chinese may take advantage. The officals in proof of the statement that the Chinese are very eager to work for the Railway, say that there are always more Chinese than Japanese employed on the Line.

However paternal the management of the South Manchuria Railway and however progressive and kindly inclined be the government officials, still the leased territory in Manchuria will stay Japanese for years to come if the latter have their way. The position is summed up in a most emphatic manner in the written statement submitted to the Washington Conference by Mr. Hanihara, when he said: "The leased territory held by Japan at present ..... Kwantung Province, namely, Port Arthur and Dairen, is characteristic of Japan's leased territories in that she obtained them, not directly from China, but as successor to other Powers at considerable sacrifice in men and treasure. She succeeded Russia in the leasehold of Kwantung Province with the express consent of China ..... The only Leased Territory, therefore, which remains to be discussed at the Conference as far as Japan is concerned is the Kwantung Province, namely Port Arthur and Dairen. As to that territory, the Japanese Delegation desire to make it clear that Japan has no intention at present to relinquish the important rights she has lawfully acquired and at no small sacrifice and the territory in question forms a part of Manchuria—a region where by reason of its close proximity to Japan's territory more than anything else, she has vital interests in that which relates to her economic life and national safety."

The political aspect of the situation, however, tells but half the story. The Japanese constantly emphasize the idea that the open door principle is what they desire for Manchuria. Further they admit that Japanese capital will not suffice for the rapid development of the great resources of Manchuria. Therefore, it is the wish of all concerned that foreign enterprises and investments be attracted to this portion of China which is temporarily leased to Japan.

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Who's Who in China

Major-General Chen Tsao-chung

陳照春少將

Major-General Chen Tsao-chung, age forty-nine, is a native of Ta Chen Hsien, Chihli. In 1886 he entered Ding Hu Army as corporal and instructor. In 1887 he was appointed corporal of the recruits. In the following year he was promoted right guard of the third camp of the reorganized infantry. At the expiration of training the recruits in the following year, he was decorated with sixth-class Military Merit. By dint of his valor in exterminating bandits in the three Eastern Provinces, he was recommended as candidate for a lieutenancy in 1905. In the fall of the same year he was appointed lieutenant of the first platoon of the sixth camp of the Zu-Chuang Army. In 1907 he was made captain of the tenth infantry. In 191 he was sent to study in the Military Academy of the three Eastern Provinces, from which institution he was graduated in the summer of the following year. Four months after graduation he was recommended to fill the position of major. In 1912, after suppressing bandits in Shansi he was appointed major with the honorary title of Brigadier-general. In April of the same year he was promoted commander of the first regiment of the infantry. In April 1913, he received a fourth-class Wen Hu Decoration. In May, he twice fought Mongolian bandits, and received the title of lieutenant-colonel. In May 1914, he was appointed Commander of the 37th Tuan of the tenth regiment. On December 14, 1915, he was specially appointed commander of the Woosung Forts, from which position he soon resigned. By request of the Printing Bureau at Peking he was decorated with the third-class Wen Hu in March 1917, and for the same reason he received the honorary title of major-general. On July 7, 1919, he received the fourth-class Chia-Wu Decoration. On December 11 of the same year he was appointed assistant commander of the Tan Districts, Chekiang, which position he resigned in August 1923. Since his resignation as assistant commander of the Tan Districts, he has been holding office as assistant commander of Kashing, Chekiang.

Chi-Pao Cheng

程其保锷秋

Mr. Chi-Pao Cheng was born in Nanchiang in 1897 and entered Tsing Hua College at the age of 15. While there, he was one of the leading students and was once editor-in-chief of the *Tsing Hua Journal*, a monthly, published alternately in English and Chinese. He was sent to America by the College in the summer of 1918 and first entered Hamline University as a senior student. Half a year later, he was appointed a member of the War Work Council and was sent to France with the Y. M. C. A. as a secretary. He rendered valuable service to the Association and also to the Chinese Labor Battalion under the French Army. He travelled extensively throughout Europe and contributed to several Paris papers. He returned to Hamline in April 1920 and received his B. A. degree in the same summer. He then entered the University of Wisconsin and the University of Chicago and took his M. A. degree from the latter institution. He then enrolled as a graduate student in Teachers' College, Columbia University, where he will receive his Ph. D. degree upon the publication of his thesis.

In July 1923, he was made a member of China's delegation to the world Conference on Education in San Francisco. His work there was well received. Upon his return to China, in September 1923, he was appointed the Executive Secretary of the National Southeastern University—an important position in the institution. At the same time, he is exerting large influence upon Chinese education through his work, lectures and writings.

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Whose biography should appear in the next edition of *Who's Who in China?* We are now completing the final work preparatory to the publication of the third edition of this useful book which will contain the biographies and pictures of approximately 500 of the leaders of China in the fields of government service, business, banking and the professions.

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For this reason we make a final appeal to the readers of the China *Weekly Review* for photographs and biographical sketches regarding any of their friends who have accomplished something of importance which causes them to stand out above the crowd and to deserve notice in "Who's Who in China." Such biographies should contain the date and place of birth, place and extent of education, positions held, political affiliations if any, societies of which he is a member, notable philanthropies, etc.

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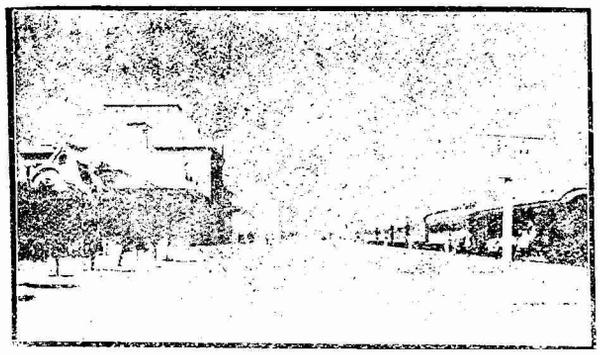

Shantung Railway Train at the Tsinanfu Station Preparing to Start on Its Daily Run to Tsingtao

Kiaochow-Tsinan Railway

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By R. T. Bryan, Jr.

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Men and Events

Dr. Thomas B. Dunn has taken offices on the 8th floor of the Robert Dollar building, 3 Canton Road, Shanghai.

H. Von Heidenstam, engineer in chief of the Whangpoo Conservancy Board, left Monday on the *Empress of Australia* for Sweden, on leave of absence.

Dr. C. S. Lincoln of St. John's University who has been visiting in the Philippine Islands for several weeks has returned. While in the Islands he traveled extensively especially in the mountainous districts.

American Ambassador to Japan Cyrus E. Wood, accompanied by his wife and mother-in-law, arrived in Shanghai from the Philippines on February 24 on the *President Jefferson*. They left Shanghai for Japan on March 1 aboard the *President Cleveland*.

J. Harold Dollar, president of the American chamber of commerce and head of the Dollar interests and the Admiral-Oriental Line in the Far East, and Earl Townsend, Oriental manager of the Admiral-Oriental Line, returned to Shanghai last Sunday from southern ports on the *President Jefferson*.

The *Review* is in receipt of a letter from John W. Kelly who gives his address as Box 360, Middleboro, Mass., asking for information regarding his uncle James Maher who was employed in the Chinese Imperial Maritime Customs from 1866 to 1872. Mr. Kelly states that no word has been received from his uncle for many years and desires anyone possessing knowledge of his whereabouts to notify him.

Announcements have been received in Shanghai of the wedding at the First Presbyterian Church of New York on February 2 of Miss Caroline Aida Kin, daughter of Mr. and Mrs. Huie Kin to Dr. Andrew Yu Yue Tsu. Dr. Tsu is a graduate of St. John's University of Shanghai and Columbia University, New York, and in recent years has been a member of the faculty of St. John's. He is now in America doing graduate work.

Miss A. Viola Smith, who was appointed by Secretary Hoover as Assistant China Trade Act Registrar under the department of foreign and domestic commerce at Washington, will remain in Washington during the present session of Congress to assist in the work of amending the China Trade Act. Previous to her recent appointment Miss Smith served in China as assistant U. S. Trade Commissioner, being the first woman to be appointed to this position in America.

Chang Chien, Jr., High Commissioner appointed by the Chinese Government to study economic conditions in Europe, America and Japan with the rank of Minister Plenipotentiary, was entertained at a dinner given in his honor by the Chinese business men and bankers in New York on January 31. Mr. Chang and the other members of the commission expect to spend two months in the United States after which they plan to return home by way of Japan. He was educated at New York University.

According to word received in Shanghai this week from Hon. L. C. Dyer of the House of Representatives, all of the proposed amendments to the China Trade Act which were recommended by the Associated American Chambers of Commerce in China have been passed by the Judiciary Committee of the House with the exception of the taxation provision and it was hoped to obtain action on this early in February after which the whole matter will be brought before the House of Representatives for a vote.

Frederick Strauss, a member of the prominent banking house, J. & W. Seligman and Company of New York City, left New York on January 26th on the liner *Samaria* for a tour around the world. He is due is Shanghai on April 12. Mr. Strauss is a director in more than twenty-five important banking, transportation and industrial companies, including Equitable Life Assurance Society, the Irving Bank, Columbia Trust Company, Montana Power Company and several of the largest Cuban sugar companies. Mr. Strauss is also interested in a number of New York charities including the Boys' Club. His tour around the world is purely one of recreation and his brief visit to China will permit only of the most casual contact with affairs.

Elsewhere in this issue of the *Review* appears an intensely interesting and entertaining reprint of a French criticism of American policy in China. The article is reproduced from a recent issue of the *Living Age* of Boston and the editor of that paper in reprinting the article made the following comment: "After reading M. Dubarbier's lively fantasy about Americans in China, we shall go around with bowed and shamed heads. It appears that the United States has once again attempted to put one over on the Old World, which conduct, as we ought to know by this time, is downright immoral as well as in the worst possible taste. What China really needs is not exploitation but some nice friendly nation to help her out of her present condition. Nominations are now in order.

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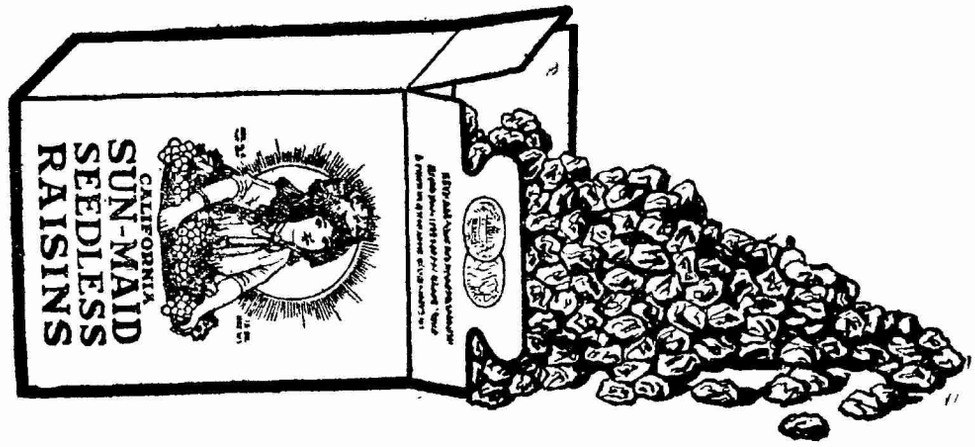

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News from North China

General Chang Fu-lai, Yuli of Honan, was here in Peking last week and had an interview with the President. It was reported that General Wu Pei-fu was recently not very much satisfied with him and he came up to Peking with an idea of soliciting the assistance of the President. It is understood that he consented to have a civil governor appointed for the province of Honan.

The submission of the Gold Franc case to the International Court of Arbitration is generally opposed in the Chinese press and official circles. They say that Chinese understand thoroughly the stipulations of the 1901 Protocol and the submission would be interpreted by the other side as to mean that China itself has doubt in the meaning of them. Moreover, the French proposals having been rejected by the Chinese parliament, there is no more ground for the government to take any other action contrary to the wishes of the people.

Much sensation has been caused in Chinese press regarding the agitation of foreign newspapers in Peking in connection with an automobile incident in the Legation Quarter in which General Feng Yu-hsiang was involved. Although the incident happened three days before, reports in that respect did not appear until last Monday. On February 15, Friday evening, General Feng Yu-hsiang was invited by the American Minister to a dinner. When the automobile of General Feng entered the Legation Quarter, it was stopped by the policemen guarding the gate because the car bore an over-strong light. The bodyguards of General Feng explained that the ordinary lights were not in order and he was compelled to use the extra-strong light above. The policeman refused to reason but ordered the car to back out. Soon a fracas ensued between the bodyguards and the policemen and the car was steered into the American Legation without any molestation. The case has not been settled.

On account of the incessant attacks on the part of the M. P's., Mr. Wang Ke-ming called on the President last Saturday and tendered a verbal resignation. The President refused to consider it, saying that the action in the Parliament was largely sentimental and limited to the minority and that the Minister of Finance should look after the welfare of the country instead of paying attention to petty opinions.

Hsuan Tung, the Manchu Emperor, celebrated his eighteenth birthday last Sunday when he received a large number of Manchurian and Mongolian princes and other high personages in the Chien Tsing Palace. The President also sent there two representatives with valuable presents. All officials belonging to the Manchu House followed the custom of "kotou" while the representatives of the President only bowed and shook hands with the emperor.

General Feng Yu-hsiang and Miss Li Teh-chuan, who were engaged several weeks ago, were married last Monday, February 19, at the former's private residence at Nanyuan, south of Peking. About 1,500 guests were present, including all Cabinet members and a large number of military officers. The Rev. Liu Fang of the Methodist Mission of Peking performed the duty and the regular Christian ceremony was observed.

Admiral Wu Yu-lin, Minister of Communications, left Peking Wednesday, February 20, for Loyang where he will meet General Wu Pei-fu to settle the naval dispute between Admirals Wen Shu-teh, commander of the repatriated fleet from Canton, and Admiral Tu Hsi-kuei, commander-in-chief of the Navy at Nanking. These two admirals have both addressed a number of telegrams to the Central government denouncing each other and in the dispute the relationship between General Wu Pei-fu and General Chi Hsieh-yuan has been somewhat alienated.

Several days ago, Admiral Tu Hsi-kuei addressed a telegram to the President asking that adequate punishment be meted out to Admiral Wen Shu-teh for forcibly taking over the naval base by the forces of the latter. He charges that Admiral Wen has shown his rebellious intention and a check must be put on his future activities. On the other hand, Admiral Wen has been much exasperated by the hostile attitude taken by Admiral Tu and announced that should he be pressed too hard, he would lead his ships back to Shanghai. He announced also that since he does not receive pay from the Nanking Fleet, he is not under the direction of the Nanking admiral. This dispute will, therefore, engage the sole attention of Admiral Wu Yu-lin during his trip to the South.

Admiral Wu Yu-lin has other aims for undertaking the southward trip. In the first place, he will inspect all the government railways and assess the results of the improvements as devised in the last Railway Conference held in

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Peking last year. Secondly, he will go to Nanking to negotiate for peace between Kiangsu and Chekiang on behalf of the Premier who himself is unable to go down.

The Cabinet meeting held Thursday decided in favor of General Wu Pei-fu's proposition to order an expedition into Kwangtung following the recent conquest of Szechuan. Four resolutions were adopted in the meeting: (1) That officials should be sent into Kwangtung to make a general review of the troops and military aspects there; (2) That the Ministry of Finance should be ordered to raise sufficient funds for the expenses; (3) That armed force should be employed against Dr. Sun Yet-sen; and (4) That sincere proclamations should be made to the citizens in Kwangtung about the reunification and peace in the country.

Following the conquest of Szechuan, General Wu Pei-fu has addressed a telegram to the President recommending the appointment of various civil and military officials in that Province. He asks that Teng Shih-hao should be made civil governor and General Yuan Chu-ming be made director of Szechuan-Kueichow military affairs and General Tien Hsun-yao his assistant.

Dr. C. T. Wang, Director Sino-Russian Affairs, paid a call at the office of Mr. Karakhan, the Russian Envoy, with a view of securing the consent of Mr. Karakhan to open the Sino-Russian negotiations at the earliest possible date. The result of their conversation is not known but it is reported that Dr. C. T. Wang made a concession to Mr. Karakhan as a consequence of the agitation of certain public bodies and a number of M. P's. in Peking for an unconditional recognition He proposed that a conference should be immediately started and recognition be conferred upon Russia as soon as the skeleton agenda of the conference can be arranged.

The government has appointed Mr. Tso Shu-yuan, director general of telegraphs, and Mr. Kuo Shih-yung, chief of the accounting bureau of the telegraph department, as special delegates to attend the Sino-Japanese Telegraph Conference to be held in Japan.

Mr. F. J. Raven, president of the American-Oriental Banking Corporation, and director of the American-Asiatic Underwriters, is in Peking as the guest of Dr. Houghton. Mr. Raven has large interests and investments in many parts of China. He is accompanied by his son, Renauld.

The American community in Peking, under the auspices of the American Association of North China, observed Washington's birthday February 22 when a dinner was given that evening at 8:30 which was attended by all Americans and other friends. Dr. Schurman delivered a speech.

Peking, February, 23, 1924.

News From West China

At last events in Szechwan have been moving with some prospect of a decision in the near future. General Hsiung Keh Wu has been driven back to the protection of Chengtu and it may be only a matter of a short time before he is compelled to give way entirely before the advance of the Federal Army under General Yang Sen.

A few weeks ago we were all wondering what General Lai Hsin Hwei would do. Then came the conference at Nan Ching Yi. While we do not understand all that was done there we can now see clearly that General Hsiung Keh Wu had lost some of his influence by that time. The mere fact that he was obliged to go outside Chengtu to confer with Lai Hsin Hwei. and others, showed that he could not dictate as readily as he had done in the past.

The most that we do understand about that Conference is that General Lai complained that he was not receiving the munitions he needed. Hsiung Keh Wu was the Director of the Arsenal, and though he may have been doing all any one could do, the failure to keep the front line supplied with munitions was due to him. He was obliged to give up direct control of the Arsenal. A Board of four men, representing the different armies fighting on the Confederate side, was put in the Arsenal.

For a time things seemed to be going as Hsiung Keh Wu would have them go. He went about Chengtu as if nothing was disturbing him. Then be suddenly took the field in person. Perhap she thought the old reputation would go with him. He went to Tungchwan to direct operations from that city while Lai Hsin Hwei remained on the East Road between Chungking and Chengtu.

This time the Federal troops seemed to leave Lai Hsin Hwei alone. It is even rumored that he has "fixed" it that way. They came up farther to the East and took one city after another with little difficulty. Some of the Confederate

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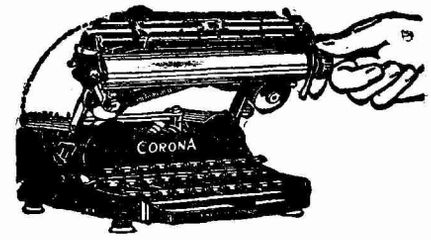

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troops seem to have entered certain cities after the Federals passed through and reported to our papers here in Chengtu that they had "captured" those cities.

Hsiung Keh Wu waited for them at the cities of Suining and Tungchwan almost straight east of Chengtu. It was then we heard that the Federals had been cut off from their base at Chungking! We now know that the cities were occupied by some Confederate units after the Federals passed through apparently with little concern for their line of communication.

It was the uncertainty about the outcome of that move that has kept us from sending in reports, based upon rumors, that would have needed revising almost as soon as they were written. Was Yang Sen in a desperate condition? Was Hsiung Keh Wu fleeing before his enemies? Where was Yang Sen? Had Hsiung Keh Wu returned to Chengtu? These were the daily questions, with the daily affirmation and denial in each and every case. Almost every day, almost every hour, the situation changed in some manner.

Last Thursday the situation was being discussed with one who ought to have known as much as any one else in Chengtu. When asked for his opinion he frankly admitted that he was puzzled. Within the next ten minutes the whole situation was changed. It is now Monday morning and we can see the situation more clearly. All that has passed to make history for us has occurred within the one week between Sunday, January 27 and Sunday, February 3.

By Sunday, January 27, the troops under the direct supervision of Hsiung Keh Wu, who had been fighting at Suining, were defeated and were falling back on Tungchwan where Hsiung Keh Wu had his headquarters. At four in the afternoon it was rumored that these troops were falling back on Tungchwan in confusion. The informant went himself onto the city wall and saw them pouring over the hills toward the city. They began to enter the city by the East Gate when at almost the same moment the troops under the direction of Yang Sen were entering Tungchwan by the South Gate and the West Gate, General Hsiung Keh entering Tungchwan by the South Gate and the West Gate. General Hsiung Keh Wu seems to have been taken entirely by surpries. It is quite well-known that Chinese armies do not usually fight in this manner. They drive out the "enemy" from one city and permit them a road over which they may travel. Then they enter the city after the "enemy" has withdrawn.

But in this case General Yang Sen, with General Teng Shih Hou, were in Tungchwan before Hsiung Keh and General Yu Ki Tang had time to get away. All during the evening the two latter were being pursued by the two former. It is known that General Hsiung Keh Wu was still in the ciiy at 9 P. M. By Tuesday it was not known what had become of him. Many were the rumors of the next few days that he had been killed. That he suffered an almost overwhelming defeat is known. His soldiers were caught in a trap after a hasty flight over the hills from Suining. Doubtless many of them were killed either in fighting, or in the melee. Others threw their rifles into public privies, and other places, threw off their military uniforms and caps and ran off as best they could. It is stated that a sum of money, rumor makes it as high as $40,000, was found in the headquarters of Hsiung Keh Wu.

We wondered then where he would go next. Some thought that if he got away it would be in the direction of Mienchow. It seems useless to speculate on where he might have been protected in Tungchwan. Foreigners' homes were searched as well as every possible Chinese place, but apparently he was not found. On Saturday last he returned to Chengtu in the guise of a common, and very delapidated, soldier. This we can believe. We can also believe that he came all the way from Tungchwan on his own feet, as soon as he could get away. This is not the first time he has had to fly in this way during his spectacular career.

So Hsiung Keh Wu is still among us. He had a narrow escape, but the man carries a charmed life and may still live to be of some use to China. The next question is, "What are they planning to do here?" It is said that an arrangement has been made whereby General Liu Yu Kiu will remain as Governor no matter which side loses. There would seem to be little doubt about that. Yesterday he shut the city gates and probably determines to keep the fighting OUTSIDE of the city if he can. In the meantime General Lai Hsin Hwei has also drawn back to Chengtu. He commenced to crawl up the Great East Road during the past week (either after he knew of Hsiung's defeat, or so that he would be in a safe position if it occurred), and now his troops are concentrated somewhere outside Chengtu.

In the meantime Yang Sen seems to have met with better success than has attended any of his efforts during this fatal here year that is drawing to a close(to-morrow is the Chinese Sen New Year). We can only wait to see if they will fight next, and what the result will be. It may be that Yang will let Chengtual one till he has "captured" all the smaller cities.

Chengtu, Szechuen, February 4, 1924.

John R. Muir.

News from Central China

Since General Wu Pei-fu has conquered the whole of Hunan, he has gradually sent his men to control the different organizations in that province. The latest step is that he has taken over the control of the Chuchow-Pinghsiang Railway and has appointed his man, Tan Tao-nan, to be the director of that road.

Chen Chieh, former Commissioner for Foreign Affairs in the Province of Hupeh, left Hankow Monday evening, travelling to Loyang where he will spend some time on a visit. Mr. Chen Chieh's departure is much regretted by the foreign community, by whom he is held in very high esteem.

General Chang Chin-yao, the former Tuchun of Hunan, will soon be appointed Commander-in-Chief of the Northern troops to be sent to Szechuen by Marshal Wu Pei-fu, according to a report in the Chinese papers.

According to a Chinese news agency, General Wu Pei-fu has sent down his official, Lih Tze-ching, to Hankow in order to negotiate a loan with a certain American firm for the purpose of constructing motor roads in the provinces of Shantung, Honan and Chihli.

March 20 will be the 50th birthday of Tuchun Hsiao Yao-nan. Although General Hsiao has announced that he will not allow any celebrations on that day, his men have decided to carry out a big function for him on that occasion, as they say that, as he has now been promoted to High Inspecting Commissioner, he is due to receive a grand celebration.

Owing to the rise of water, Huan soft coal has arrived continuously this season at Hankow; therefore the price for soft coal is expected to drop in the near future.

The Minister of Communications, Admiral Wu Yu-lin, left Peking for Loyang on the morning of the 18th instant, and he will come down to Hankow. Nominally it is said that he is coming down to the south to inspect the different railways but, in fact, his leave is to mediate in the dispute between General Wu Pei-fu and General Lu Yung-hsiang of Chekiang.

The Honan people are dissatisfied with General Li Chih-chuan as Civil Governor of Honan. They have telegraphed to Marshal Wu Pei-fu not to make further changes of personnel in other posts.

There are more than 4,000 Chinese lighters in Hankow belonging to no less than 30 wharves. The lightermen formerly had not organized any union association but now, in order to unite, they have arranged an association. A preliminary meeting was held in a tea house on Monday when more than 100 of the lighter men were present.

It is reported General Li Chi-chen, Chief of Staff to Marshal Wu Pei-fu and Civil Governor of Honan, will succeed General Chang Fu-lai as Tuli of Honan, retaining concurrently the post of Civil Governor.

The whole family of General Sun Chuan-fang, Tuchun of Fukien, unexpectedly returned to Hankow on Wednesday. The Chinese press says that this is probably an indication that General Sun wants to declare war on Chekiang Province.

The Hankow Chinese Chamber of Commerce has recently established an Arbitration Court and Mr. Hu Ho-an has been elected to be the Chief Judge. Henceforth the merchants' trifling disputes will be settled there instead of going to court.

Much excitement was caused in Hankow and Wuchang on Wednesday night by the eclipse of the moon which commenced shortly before 11 o'clock, Gongs were beaten and crackers fired in great numbers, and to such good purpose that the moon was again saved from being swallowed by the Heavenly Dog and escaped from his maw in the early hours of yesterday morning.

The committee of the "Door of Hope" in Hankow have decided to purchase a tract of land comprising about 1,500 fongs at Wangchiatun where a new house will be built for poor girls. A school and factory will also be established with the new building.

The Hupeh government has decided to receive back the collection of cigarette taxes by the merchants in the whole of Hupeh Province, and the present Collecting Bureau in the native city will be closed on March 1. The government will collect the taxes in future.

General Wu Pei-fu has given instructions to his aide-de-camp at Hankow that the manager of the Szechuan Railway Bank be pressed to give out Tls. 300,000, partly for the support of the Szechuan, campaign and partly for payment of General Wu's own soldiers.

Arrangements have been made by the Commissioner of Industry at Wuchang to establish a bureau for the examination of silk, cotton, and tea with a desire to making improvements in these agricultural productions.

Chow Fu-kai, now in Hankow representing the Ministry of Foreign Affairs in Peking, will proceed to Ichang in a few days to effect the release of the two Japanese of the *Yiyang Maru*.

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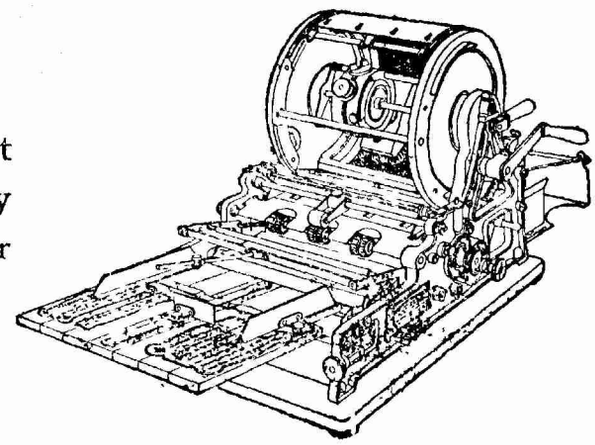

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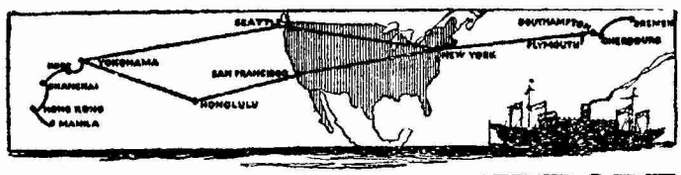

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C. C. Shedd, of the Wuhan Y. M. C. A., has been transferred to Chungking, for which post Mr. and Mrs. Shedd departed last Wednesday. Mr. Shedd will take charge of the Y. M. C. A. of that important city, which Mr. R. R. Service has left, on furlough.

A bandit leader named Sheng Chang has established a stronghold among the hills around Supu, Hunan, with quite a large number of followers and a few hundred rifles. Not only travellers dare not go through that district, but even small squads of soldiers are unwilling to make the venture.

A private report states that Chengtu fell into Northern hands on the 15th inst., after one week's hard fighting with heavy casualties on both sides. General Hsiung and General Tan have retreated further west with their remnant forces, and do not appear to be able to plan any counter attack on their opponents.

General Yuan Tso-ming, the Kweichow commander under the banner of Wu Pei-fu, has been trying hard for some time past to seize the remittance fund of the Chinese Post Office for Eastern Szechuan. He has tried in vain a number of times to get the money, until the postal authorities found it necessary to curb his attempt by applying for higher authority from Peking. The matter was duly brought up in the Cabinet where the proposal of Yuan was banned and the latter has been notified to that effect.

Owing to the detention of goods in steam launches of Butterfield and Swire and Company at Yuankiang by the likin office there, the British Consul at Changsha has lodged a strong protest with the Hunan government and has demanded their immediate release.

Chinese official advices from Wuchang indicate that, due to his inability to provide effective protection to the foreign missionaries and the subsequent capture of Mrs. Kilen and the wounding of Dr. Hoff (who died afterwards) by the bandits, Marshal Hsiao Yao-nan of Hupeh has dismissed Brig. General Pan from the command of the First Hupeh Brigade of infantry as punishment.

Since the capture of Chengtu by the Northern supporters, there has been considerable dispute over the posts of both Civil Governor and Tuchun among themselves, also over the problem as to whether General Hsiung Keh-wu, who received wounds in the last fierce fighting, should be given any opportunity for peace negotiations, or should be driven out of Szechuan finally.

Julean Arnold, American Commercial Attache at Peking, is at present visiting Hankow and will remain here until next Sunday evening. Mr. Arnold arrived from the north Thursday morning, and was entertained at a dinner Friday evening given by the Chinese Bankers' Association of Hankow. He will address the American Chamber of Commerce of Hankow at a special meeting to be held in the Chamber's rooms at the American Consulate General on Saturday afternoon.

The Hunanese in Hupeh have joined in sending a telegraphic protest to General Chao Heng-ti against the exportation of a large quantity of rice to Shanghai, as such exportation is deemed to be a great danger to the livelihood of the people in the whole province of Hunan.

General Chao Heng-ti, Commander-in-Chief of Hunan, has promulgated a set of regulations for the monopoly of opium traffic in the province. He has issued special stamps for distribution in the various districts, where after examining the opium chests they will be allowed to be sold in the market. It is believed that the monopoly will yield a large revenue for the province.

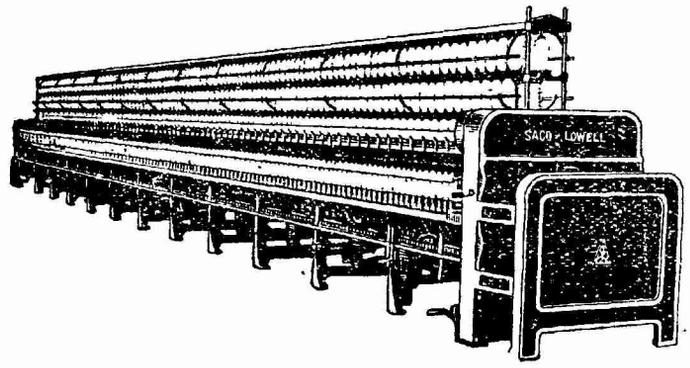
Mr. S. H. Noxon of the Standard Oil Company left Hankow for Peking last evening by train after a week's stay in this city.

The Washington Birthday Ball will as usual be given by the American Community, who have invited their friends among the other nationals of the port. The Ball will be held under the auspices of the Hankow American Volunteer Company, the committees of which are headed by the American Consul General at Hankow, Mr. P. S. Heintzleman, who is honorary chairman. Captain R. C. Mackay is general chairman and the following have been appointed as chairmen of sub-committees:-Mr. V. Clair, Music Program; Mr. H. Mann, Finance; Mr. N. A. Thompson, Invitation; Mr. R. T. Glover, Refreshments; and Mr. D. Burdick, Decoration.

An urgent telegram from Kiukiang states that the Japanese Consul there has demanded that, owing to the failure of the Director of the Nanchang-Kiukiang Railway in meeting its loan obligations, he is going to appoint two Japanese railway experts to supervise and control the audit department and the traffic department of the Railway in accordance with the stipulation of the original contract. The Provincial Assembly of Kiangsi is taking up measures to meet the situation by trying to introduce reforms into the line.

P. S. J.

Hankow, February 20,1924.



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The Week in the Far East

(*Covering the period from February 20 to February 27*)

By far the most outstanding news of interest during the past week, and occupying a greater portion of the forefront of news for the past months is the attempt on the part of Soviet Russia to gain recognition among the Powers, and while some of her struggles are over, she still has an uphill grade to climb. Following her recognition by Great Britain, China and Japan have come in for their respective share of conferences and endless parleys between their official representatives. The first to be considered in this respect is the Russo-Chinese Conference, as particularly regarding the Soviet Envoy's conditions, and abandonment of extraterritorial rights. In the Peking papers of last week the conditions and wishes alleged to have been expressed by M. Karakhan, Soviet Envoy of the Far East now in Peking regarding the opening of the Russo-Chinese Conference, are outlined as they appear below:

Russian Soviet Envoy Presents Conditions to China

"(1) The formal restoration of diplomatic relations between Russia and China, the immediate exchange of diplomatic and consular officials and the return to Soviet Russia of the Russian Legation and Consulates in China.

"(2) The joint administration of the Chinese Eastern Railway on an equality of conditions and the abolition of all obstacles to the sovereign rights of China within the region attached to the Chinese Eastern Railway.

"(3) The recognition of Mongolia as a territory belonging to China and the withdrawal therefrom of all Russian troops, the exact date of the evacuation and matters relating thereto to be decided upon at a conference of the representatives of the two countries.

"(4) The abandonment by Russia of her extraterritorial rights as well as her concessions in China, reserving to herself the right to hold property.

"(5) The settlement of the question concerning the right of navigation to be effected on a basis of equality.

"(6) The organization of a commission which is to readjust boundaries of the two countries.

"(7) The conclusion of a treaty of commerce and navigation on the basis of the most-favored nation clause.

"(8) The abandonment of the Boxer indemnity due to Russia and the disbursement of the money is to be discussed at a joint meeting of the representatives of the two countries.

"(9) All the old treaties and agreements concluded between the two countries are to replaced by the new treaty to be entered into according to the spirit of the proclamations made by the Soviet government in 1919 and 1920.

"It is inferred that the foregoing news has emanated from the representatives of Soviet Russia."—*Eastern News Agency.*

"A Mongolian Republic"

M. Karahkhan is preparing to issue a statement on the subject of a Mongolian Soviet Republic. Mongols are averse to Soviet troops being stationed in Mongolia yet Bolshevists have on several occasions been requested to continue the military occupatian. M. Karakhan protested to China, recently about the support given to the rebels in Siberia, saying that if any White army should enter China, the Red army will attack them even within Chinese borders, according to a Moscow report.

"The negotiations to conclude a Russo-Mongolian commercial treaty are still in progress.

"The Moscow government is paying much attention to Mongolian horses as there is need of supplying horses to the Russian cavalry forces.

Dr. C. T. Wang's Views on Recognition of Russia

Forty-seven professors of the National University of Peking in addition to many others are urging Dr. C. T. Wang, the Director of the Sino-Russian negotiations, to

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recognize Soviet and proceed with plans in that direction however, it is rumored in the Peking press, that apparently Dr. Wang is little moved by the academic arguments of the Peking professors. Dr. Wang, however, gave an interview to one of the local papers in Peking setting forth his ideas on this question of the day:

"The real purpose of the British and Italian recognition of Russia is to defeat the possibility of an alliance of Poland, Roumania, Belgium and Servia under the leadership of France by a Russo-Italian-Anglo combination. Being an Asiatic state China stands in a different postiton to England or Italy and is therefore in no hurry to recognize Russia. It has ever been my endeavor to work for the best interests of the country: I have never hesitated to do my best when the welfare of China demands it. In my opinion, there is a world of difference between the advantages accruing to China from her recognizing Russia first and then opening negotiations with her and those accruing from the opposite course. For those of my couutrymen who believe that immediate recognition will confer untold blessings on China I fear that they will be greatly disappointed, for the Russian may not be such a disinterested animal as they think.

"In the meantime, it is reported that China is willing to recognise the Russian government providing that a satisfactory settlement is reached regarding the Chinese Eastern Railway.

White Guards Continue Outrages on China's Frontiers

It is interesting to note the recent communication addressed to the Waichiaopu with reference to the continued outrages committed by the White Guards along China's northern and western frontiers. It seems that the Extraordinary Plenipotentiary Mission begs to inform the Ministry of Foreign Affairs in Peking that it is in receipt of reliable data on the organization of White Guardist bands in Chinese territory, their crossing of the Russian frontiers and coming back again, with direct assistance of Chinese authorities and the participation in the said actions of the Chinese frontier guards. The above appeared in several issues of the *Far Eastern Times* (Peking), setting forth detailed memoranda of the various districts affected by these White Guardist bands, which have caused no end of trouble and calls attention to an apparently powerful and well organized band of men. The whole affair is a mix-up but worthy of investigation and an attempt to untangle.

Soviet's Policy in the Far East as Outlined by M. Chicherin

"Our policy to-day must be to see that the work of consolidating our economic relations with the nations of the East be still enhanced," stated Mr. Chicherin, People's Commissary of Foreign Affairs of U. S. S. R., in the welcoming speech at the official annual meeting of the Russo-Oriental Chamber of Commerce, held here in the presence of all the Ambassadors of the countries of the East and a large number of Soviet business leaders.

"The Union of Soviet Socialist Republics"—says in part Mr. Chicherin—"is interested in the economic emancipation of the East, which, in its turn, is interested in the economic independence of the U. S. S. R. from world capitalism. This being so, the measures we undertake in this given direction correspond to the interests of the East..... While, in their criticism of the recognition of the U. S. S. R., Messrs. Baldwin and Curzon, feeling anxious as they do because of the consolidation of the Soviet Republics' international position, point to the "chaos" setting in the Oriental States—this only tends to show, as a fact, that they fear our stronger mutual co-operation with the Eastern peoples, with a view to developing their productive forces...."

In their welcoming addresses to the assembly, the Oriental Ambassadors greeted the Chamber and voiced their firm belief that its fruitful labors will bring about the establishment of mutually profitable economic relations between the East and the Union of Soviet Socialist Republics on the basis of solid commercial treaties.

The Five Problems Between China and the Soviet

Since the time when the Communist party had strengthened its grip on home affairs sufficiently to look beyond the borders of Russia and consider foreign relations, five problems have existed between China and Russia. One of them, recognition, is now in a fair way to being settled, is the opinion as advanced by an editorial appearing in a recent issue of the Japan *Advertiser* (Tokyo). Despite China's standing in the world at large, recognition by Peking would have been a feather in Moscow's cap until quite recently. Peking realized this and refused to play its cards, holding

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out for larger stakes, continues the editorial. Moscow may now be expected to withdraw the ante she was previously willing to put up. Another question is of compartively minor importance, so far as China and Russia are concerned, although it is a major issue between Russia and other powers. That is the question of the resumption of trade. The volume of trade between China and Russia has never been great and tea, the chief export that China sent Russia, has been going into that country from Ceylon, and it is quite likely the latter will be able to hold the market. The recent charges that Chinese were aiding the revolts in the Russian Orient against Soviet authority strengthen Moscow's position on the third question, the claim that despite China's protestations of neutrality, she has aided and abetted plots against the Soviet that were hatched in China. The fourth question, the occupation or partial occupation of Mongolia by troops of the Red Army is one on which Russia's stand is too theoretical to be subject to conclusive proof. Chinese pride is offended by the Russian occupation of Mongolia. And there finally remains the real issue—the Chinese Eastern Railway. The possession of the railway is vital to any Russian government as long as Russia hopes to maintain her place in Siberia and the Far East. It is vital from a political and strategic point. It is tremendously profitable from an economic and financial standpoint, if only operated with that end in view. The other four questions are rather academic in contrast with the complicated and important railway problem. But China and Russia cannot settle it alone, the time when this was possible is past.

"France, through her virtual ownership of the Russo-Asiatic Bank, will insist on the disposal of the line in a way pleasing to her. The railway has become to a certain extent a problem of the principal Powers allied and associated against Germany during the World War. The Washington conference adopted a resolution, the substance of which places China in the position of holding the line in trust. The status of Japanese interests, and the attitude of the Japanese government, toward the railway are not known. That is to say, considerable mystery covers them despite Japan's public pronouncements. For instance, it is rather surprising and mystifying that Japan has never taken possession of the 120-mile section of the railway between Changchun and the south bank of the Sungari River, ceded to her, according to the very small amount of information that has reached the general public, prior to the erection of the Soviet government.

"The change that recognition of Russia will bring in Europe will be great, but the change that will come from recognition by China, especially if followed by similar action on the part of Japan, will alter the present situation in the Far East more than would any other one event except war itself."

Japan and the Soviet

Japanese papers seem to be free from any statements regarding the opening up of a conference between Russia and Japan, although a few reports have been made showing that Russia is apparently impatient at the Japanese attitude vis-a-vis renewal of negotiations and recognition as may be evidenced by a series of minor incidents, of which the following are the most important, as reprinted from a press report from Tokio.

"(1) Mr. Watanabe, the Japanese Consul at Vladivostok, has been notified that he is no longer recognized as the official spokesman of his government and people.

"(2) The Japanese Post Office has been informed that transportation of mails to Siberia will not be continued.

"(3) Japanese correspondents in Moscow have been ordered to withdraw, according to a report received to-day and the correspondent of the *Costa News Agency* here has announced that he is under orders to leave.

"It is understood that the foregoing are the subject of official representations both in Peking and Vladivostok.

"Mr. Yeshizawa, the Japanese Minister in Peking, has been instructed informally to discuss with M. Karakhan, the Soviet Envoy, the situation created by the series of minor incidents in the last few days which are said to indicate that Russia dislikes Japan's attitude *vis-à-vis* recognition of the Soviet. It is believed in official circles here that Russia entertains a false impression of Japan's policies.

"Following expulsion of Japanese consular officers from Vladivostok Soviet officials have adpoted an unexpectedly drastic measure and frankly mean to drive out of the country all Japanese business men and terminate Japanese commercial activities in Siberia.

"This purpose is put forth boldly in an official notification that was issued during the week under review, which proclaims that all Japanese merchandise must be disposed of within the space of seventy-two hours, and the declaration is made that failure to obey the terms of the notification will result in confiscation of all goods not disposed of within the time fixed.

"The notification sale forth that since the Soviet regime of the port cannot longer recognize the customs regulations that were in force prior to 1919 and all merchandise held in Japanese business establishments must be removed within three days of the time the note is received. The notification purposes to confiscate goods remaining on shelves after expiration of the time limit.

"How far-reaching the new order is in its effect is to be gathered from a conservative estimate that fully 50,000 tons of Japanese merchandise is in the hands of dealers. This is in the sixty odd Japanese business establishments of the port."

Some of China's Daily Problems

In addition to the amount of attention devoted to the recognition of Russia by China, China struggles on with her daily problems. The incident of Christian General Feng during the past week and the foreign legation police caused no little excitement in the foreign quarter of Peking and the subject seems likely to have much significance attached to it, according to the way it is to be handled by the Diplomatic Body. One evening of recent date General Feng was proceeding through the Legation Quarter at a terrific rate of speed, and his usual line of bodyguards hanging on his motor car. When asked to stop by the police he refused to do so, and it seems he disobeyed all regulations observed in the Legation Quarter, relative to lights on the motor car, guards, and speed. It is stated that when the car was stopped Gen. Feng dismounted and took the policeman's stick from him and re-entered the car. Following this episode a note was immediately despatched to the Waichiaopu from the Diplomatic Body. The Note makes no demands but calls attention to the continuous attempts on the part of the Chinese in the Legation Quarter not to conform to the traffic regulations.

Other matters coming up for attention is a recent meeting of the Cabinet, and the rumor current of Sun Pao-chi's resignation. Many appointments have been made to military posts and it is expected that a conference will shortly open at Loyang, leading to important developments.

Coming up during the past week is also the friction arising between Admiral Tu Hsi-huei and Admiral Wen Shu-teh, commander of the Tsingtao Squadron, over the occupation of the naval office at Chefoo by marines belonging to the Tsingtao squadron. Admiral Wu Yu-lin contemplates a journey to Nanking to mollify Admiral Tu, however, this will perhaps not definitely settle the wrangle.

China is hopeful regarding the rendition of Weiheiwei, and is glad to see that it again comes up for discussion in London. Acting on orders from Dr. Wellington Koo, the Chinese Foreign Minister, Chu Chao-hsin, the Chinese Minister in London, conferred with Ramsay MacDonald at the Foreign office, presenting the Chinese case with regard to Weiheiwei. China is dissatisfied with the decision of the Anglo-Chinese Commission in that connection, the report of which is before the two governments, China claiming modification especially concerning Chinese sovereignty, and asks the British government to resume the negotiations.

Japan Is Stumbling Block in Path of Independence for Philippines

During the week under review some startling statements were made by Members of the House Committee on Insular Affairs at Washington, D. C. when it was stated that the chief stumbling block in the path of the Philippine Independence movement is the possibility of war with Japan. While it was admitted that nothing was seen at the present time indicating such a possibility, they declare it would be a serious matter to give up the Philippines until disarmament has become a reality. Many members of Congress who under ordinary circumstances would favor independence are not satisfied that Pacific affairs are yet past the point of potential danger. The Committee has several points to discuss especially in view of the final statement of Manuel Roxas before the Senate Committee that the Islands intend later on to purchase the military bases if possible. In summing up his plea, Mr. Roxas said that any independence measure acceptable to the Islands would have to include authorization for a constitutional convention. Permission to adopt a national constitution and permission to conduct popular elections under the constitution adopted.

GENERAL NEWS SUMMARY

February 21. Frank Vanderlip sued by Marion *Star* for $200,000 for alleged slander involving *Star* and late President Harding in oil scandal.——Sinclair to take stand in Senate oil scandal investigation.——Dock strike in Britain settled.——15,000 Filipino laborers in Hawaii threaten strike.——Ex-Governor Cox of Ohio announces he will seek democratic nomination for President.——Clothing worn by Abraham Lincoln when shot by Booth is sold in Philadelphia for $6500.——Fifty-seven Americans receive total of $1,000,000 awards from sinking of Lusitania.——Soviet informs Japan that consul at Vladivostok, Japanese mail transportation in Siberia and privileges to correspondents throughout Russia are no longer recognized.

February 22. Senate oil scandal investigating committee claims information Attorney General Daugherty played market in Sinclair oil stock.——Estimated $2,000,000,000 has been exported by Germany since war.——Senator Lodge urges Attorney General Daugherty's resignation.

February 23. Soviet threatens to seize all Japanese merchant goods if not disposed of within three days.

February 24. U. S. Secretary of Agriculture Wallace's resignation expected because of disagreement with Coolidge over wheat farmers' relief measures.——Soviet will make no further efforts to gain Japan's recognition.——Vatican reported unwilling to recognize Soviet.——British Home secretary, in speech, says Versailles Treaty needs speedy revision.——Egyptian government prepared to renew contract with Lady Carnarvon for reopening of Pharaoh tomb.

February 25. Dock strikers in England vote to accept employers' settlement offer. Coolidge Cabinet considers requests for Attorney General Daugherty's resignation in oil scandal.——Japanese government loans smaller insurance companies Y80,000,000 for 10% "sympathy" payment on quake policies.——Wickersham, chairman National Society for Betterment of American-Japanese relations takes lead in combatting Japanese exclusion clause from immigration bill.——Democrata party in Philippines votes to cooperate with Governor General Wood.

February 26. Trial for treason of General Von Ludendorff and others opens in Munich.

Trade Inquiries

Pacific Corundum Wheel Works, *2212* Pacific Ave., Everett, Wash. desire to secure representation in Shanghai.

A. P. Lewis, *1000* Arctic Bldg., Seattle, Wash., interested in selling lettuce, celery, etc. in Shanghai.

W. H. Daum & Staff, Van Nuys Bldg., Los Angeles, Calif., desire to secure distributing agent in Shanghai for the sale of petroleum products.

Commercial Bag & Paper Co., *1018* Van Slyke Ave., St. Paul, Minn., desire to purchase mah jongg sets.

Independent Drug Company, *225* East Third St., Cincinnati, Ohio, desire to purchase cheaper grades of mah jongg sets.

H. J. *Armstrong* Co., 1018 Fourth Ave., Seattle, Washington, desire to make agency arrangements for the distribution of dry cells and batteries.

The administration of the Chinese Eastern Railway has advertised for tenders to be opened on March 18, 1924, for sundry parts for cars and locomotives. Interested parties should address Manager, Material Dept., Chinese Eastern Railway, Harbin.

Italian Foreign Corporation, 4 Via Monforte, Milan, a joint American Italian concern, is interested in the importation of China produce into Italy.

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New Books and Publications

The Strategy of the War

The World Crisis, 1915; By The Right Hon. Winston S. Churchill. New York. Charles Scribner's Sons. Price $ 6.50

The fiasco at the Dardanelles and Gallipoli took place in the year 1915. The same year saw the inauguration of the ruthless warfare of submarines and also the fall of the Asquith government. Mr. Churchill was at that time the First Lord of Admirality and he is universally blamed for the great disaster suffered by the British fleet and army in the Dardanelles and Gallipoli. In this volume Mr. Churchill offers a brief of exculpation. While speaking of the strategy in the War Mr. Churchill says that his opinions clashed with those of Lord Kitchener and Lord Fisher. He does not want to convince the world of to-day of his innocence, but appeals to posterity for justice to his case. "Upon me more than any other person," says Mr. Churchill, "the responsibility for the Dardanelles and all that it involved has been cast. Upon me fell almost exclusively the fierce war-time censures of the press and public." But he insists on our believing that he was misunderstood.

He quotes a number of documents: the reports, memoranda, letters, etc. to show that he was superior to Kitchener in war knowledge and knew more than the Admiral, who gave the orders, as to the employment of the Navy in the Near East when the call for help came from the Grand Duke Nicholas.

Lord Fisher believed strongly that the British fleet must be kept in leash to destroy the High Sea Fleet of Germany in the Northern waters. Mr. Churchill differed from the Admiral and stood for the forcing of the Dardanelles, occupation of Constantinople, and bringing Italy, Bulgaria, and Greece into the War on the side of the entente. Kitchener sided with Lord Fisher.

Mr. Churchill is a mighty mind. Though a soldier by profession, he showed very remarkable ability in conception of how the Great War should be fought. In his opinion the campaign in France was a tradeey of blunders and "all the time there were ways open by which this slaughter could have been avoided." He exposes his plan at considerable length explaining how this could have been done.

Before the Dardanelles Commission of Enquiry Lord Fisher stated that he had been instinctively against the Dardanelles being attacked by navy alone and he "was dead against the naval operation alone, because he knew it must be a failure." But in this book Mr. Churchill says that the enterprise received Lord Fisher's favor.

It is clear that at the time Churchill did not want a joint naval and military operation in the Far East and he sticks to his naval plans alone, though it is hard to imagine that he was blind to the advantages of joint operations, but no land force being available in January he urged the use of the fleet alone. About the military operations in Gallipoli Mr. Churchill says, "Sir Ivan Hamilton's army sprang ashore on the Peninsula, and while victory was within their grasp they fell down for want of shells and reinforcements, both of which, on the scale they required, could at any time have been supplied.

Mr. Churchill is a grand and spacious writer and he does not bow to the frown of destiny.

Shanghai, February 14, 1924. H. P. Shastri.

About the Bible and Its Makers

The Makers of the Bible by Herman W. Severn. Philadelphia: The Judson Press.

This is a theological book in which an attempt has been made to tear down the history of the compilation of the books of the Bible. It also explains some of the meanings of the obscure passages of the book and some of the interpretations are new and may appear unorthodox: for instance the term translated "virgin" in Isaiah 7:14 is said in fact to mean a young girl.

The author shows that there has been evolution in the conception of God. For instance the Old Testament God is sometimes pictured as being vindictive, and morally irresponsible. He incites Saul against David and through his prophet commands the king to "smite Amalek, and utterly destroy all that they have, and spare them not; but slay both man and woman, infant and suckling, ox and sheep." It is also shown that some of the books of the original Bible have been lost. The third chapter of the book under review shows that the author is endowed with great powers of research and contains many facts of historical value.

The author does not find it reasonable to believe that the Bible was dictated by God. "Does the Bible mean what it says?" asks the author. Verbal contradictions and inconsistencies appear here and there. For instance, we read, "If we say that we have no sin, we deceive ourselves, and the truth is not in us" (John 3:9). Again "Whosoever is begotten of God doeth no sin... and he can not sin, because he is begotten of God." In Ecclesiastes the preacher in his pessimism declares, "That which is crooked can not be made straight." While a Preacher in the new dispensation, quoting from an optimist of the old, hopefully insists, "And the crooked Shall become straight" (Luke 3.5). The author's conclusion is that the truth lies in the spirit of the Bible and not always in the letter of it.

The book is of considerable value to those who study Christian theology and is well printed and bound.

H. P. Shastri.

Weekly Cotton Market Report

By A. B. Rosenfeld & Son

China Cotton:—During the early part of the past week it looked as if cotton were of absolutely no intrinsic value and the market was pounded down by disgusted bulls and elated bears until every month was well under Tls. 44.00 for Tungchow. Prices showing at one day a gross decline of one tael, making a total decline of about three taels from the level of a week ago. The dominant feature of the recent decline was in sympathy with the heavy decline in Mid-Americans and Indians.

Looking at the situation in the broadest way, we believe that as soon as the outlook for the yarn market, shows signs of activity, the preponderance of chances will be against the bears. In the meanwhile, however, the market will be governed by the yarn market as well as the world cotton markets, so that for the present we see no reason to depart from the policy we have been advocating in our previous reports, of buying whenever the market seems unduly depressed and selling on any good advance.

Yarn:—The market during the past week has been generally weak, with a further decline of five to six taels from last week's level. At the close of the market it seemed to be in favor of steady prices. Business for export has been booked, some 3,000 to 4,000 bales and over 6,000 bales direct business with the mills have been recorded.

Liverpool, February, 21, 1924

Liverpool Market:—

Fair	Middling Spot	17.83 Pence
„	March	17.28 „
„	May	17.28 „

Market:—*Weak.*

New York, February, 21, 1924.

New York Market:—

March	30.05	Cents
May	30.45	„
July	29.61	„
Oct.	26.48	„
Dec	26.00	„
Spot	30.40	„

Market:—*Weak.*

Bombay, February, 21, 1924.

Bombay Market:—

Broach, F. G. April/May	Rps.	590	per Khandy
Fully Good Bengal, March	„	516	„ „
Fine Oomra, March	„	568	„ „

Market:—*Weak.*

Shanghai Market:—

Tungchow, Spot	Tls.	47.00
Shanghai, Spot	„	44.00
M-ginned, Spot	„	44.50
Taichong, Spot	„	46.00
Shensi, No. 1 Spot	„	45.50
Ningpo, Spot	„	42.00

Market:—*Weak.*

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Outline for the Study of Current History, Finance and Commerce of China

by

H. F. MacNair, Ph. D.

Professor of History and Government, St. John's University

This outline, primarily for the use of middle schools and colleges, is based upon the Review for last week. It is not intended that the whole of the outline be used but that those topics be selected that are found to be adapted to the class.

1. International Affairs

Topic 1: World Airplane Flight by U. S. Army Planes

References: P. 455

Questions: 1. What are the three purposes of this flight? 2. Where will the start be made? When? By whom? 3. Name the main points touched in the proposed route. 4. What other Governments are interested in a round-the-world flight? Why?

Topic 2: Japanese Immigration into America

References: Pp. 456,478

Questions: 1. How long have the Japanese been entering America in considerable numbers? 2. What is the "Gentlemen's Agreement"? 3. What important decision having to do with this question has been recently made by the Supreme Court? What is the effect of this decision? 4. Where have most of the Japanese settled in the United States? Why? 5. What plans are they said to be making now? How will this affect the people among whom they have been living? Why? 6. Discuss the economic position of the Japanese in California. 7. What is the new plan announced in reference to Japanese immigration? 8. What does Secretary of State Hughes think of this scheme? Explain. 9. Where does final power lie in such a matter?

Topic3: The Philippines

References: P. 478

Questions: 1. Why is the U. S. Senate interested at present in the status of the Philippine Islands? 2. Who is Chairman of the Senate Committee? 3. Who is Manue Roxas? 4. What are the Colorum troubles? 5. What can you say as to the military and naval value or danger to the United States of the Philippines? 6. Why do the Moros wish the United States to maintain its sovereignty over these islands? 7. Who are the Moros?

Topic 4: Chinese Immigration into Canada

References: Pp. 458-9

Questions: 1. Why is the question of Immigration one closely connected with international relations and international law? 2. When did the Chinese begin to enter Canada in considerable numbers? 3. Why is it so difficult for Westerners and Easterners to understand each other? 4. In what part of Canada are there large numbers of Chinese? 5. Compare the Chinese problem in Canada with the Japanese problem in the United States. 6. What does Mr. Lee think the main source of difficulty is in reference to the Chinese in Canada? 7. What law has recently been passed in Canada to deal with Chinese immigration? 8. How may Chinese be best kept from leaving their own country in large numbers?

Topic 5: Koreans in Honolulu

References: P. 459

Questions: 1. How many Koreans are estimated to have been put to death in Japan after the earthquake? 2. What demands are now being made by the Koreans in Honolulu? 3. In what way have the Japanese government and people shown their regret over the Korean massacres?

2. Domestic Affairs

Topic 1; Progress and Reform in Mukden

References: Pp.460,462

Questions: 1. Who is the Mayor of Mukden? 2. How long has he been in office, and what qualifications has he for the office? 3. Which centers in China have modern municipal governments? 4. Discuss some of the effects on a Chinese city of putting in an electric car system. 5. What work is being done in public sanitation in Mukden? 6. What are the advantages of public parks in a city? 7. How large a sum is being spent annually on reforms of a municipal nature in Mukden? 8. Where does this money come from?

Topic 2: South China

References: 470,472,476,478

Questions: 1. What educational plans are being made for Canton? 2. What effect did the New Year holidays have on taxation in Canton? 3. What can you say as to piracy in Cantonese waters? What suggestions have been made on this subject by the British? 4. What are the chances for further fighting in or around Canton?

Topic 3: China's "Spring War"

References: Pp. 457,475-476

Questions: 1. Why is Wu Pei-fu styled the "arch-militarist" of China? 2. What is the present strength of the Chihli party? 3. What are the relations between Tuchun Lu Yung-Hsiang and Marshal Chi Hsieh-yuan? 4. What is Marshal Tuan Chi-jui doing now? 5. Account for the talk of "spring war". 6. How is this question connected with foreign interests in China? 7. Why has it been suggested that the vicinity of Shanghai may be the place for a "spring war"?

3. Commerce and Finance

Topic 1: Japanese Press and the New American Loan

References: Pp. 449-50

Questions: 1. What stand has been taken by the Japanese press in reference to the floating of the new loan in the United States? 2. What comparisons are being made with loans to other countries? 3. What is the sum loaned? When is it to be repaid? 4. What explanations are made by the editor in reference to the conditions made in the United States? 5. What has been the tone of the American press in commenting on this loan?

Topic 2: "Squeezing" Yuan Dollars

References: Pp, 450-51

Questions: 1. How can it be proved that China's coinage is depreciated? 2. What is "depreciation" in coinage? 3. Why has this state of affairs come about in China? 4. What is the effect of this on business? 5. Why is minting such a flourishing occupation in China at present? 6. How can this matter be settled?

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K. P. CHEN,
General Manager

Shanghai Exchange for Week Ending Wednesday, February 27th, 1924.

By Maitland, Fearon and Brand

Exchange:—Since our last circular the London price of silver for ready delivery at 33 5/8d. is 1/16d. up, the quotation for two months forward delivery at 33 7/16d. is unchanged Locally the demand for Gold T/T has exceeded the cover available and our official rate for T/T on London has declined 1/32d. to 3/3. Money is easy, and we close with about 3/32d. offering for February, forward rates running down to 3/2 3/4d. June. In view of increasing stocks of silver it does not appear likely that China will be a supporter of the silver markets for some time to come, while our local Gold dealers have still a heavy oversold position in Gold T/T to liquidate.

Our stocks of silver are reported as follows:—

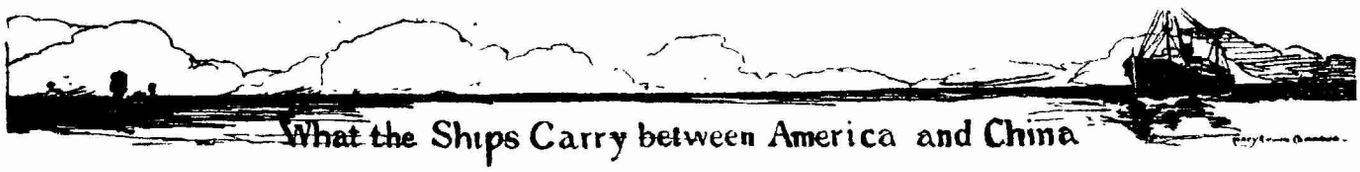
Sycee and Bar Silver .....Tls. 29,807,000 an increase of Tls. 322,000.
Chinese and Mexican Dollars..... $ 44,900,000 an increase of $ 1,060,000.
Silver Yen. ....Yen. 800,000.
Estimated value Tls. 62,760,000 as against Tls. 45,040,000 held att his time last year.

	Average rates for Jan.	Thursday Feb. 21	Friday Feb. 22	Saturday Feb. 23	Monday Feb 25	Tuesday Feb. 25	Wednesday Feb. 27
Bk's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	3/3.390	3/3 1/2 3/3	3/3	3/3 1/2	3/3 1/2	3/3 1/4 3/3	3/3
D/Dits ,,	—	3/3 5/8 3/3 3/8	3/3 1/8	3/3 3/8	3/3 5/8	3/3 3/8 3/3 3/8	3/3 1/8
m/t ,,	—	3/3 3/4 3/3 1/4	3/3 1/4	3/3 1/4	3/3 3/4	3/3 1/2 3/3 1/4	3/3 1/4
T/T India	228.150	232 1/4 229 1/4	229 1/4	233 1/2	233 1/2	233 231 1/2	232 1/4
T/T France	1,498 200	17001680	1655	1655	1635	16251615	1645
T/T N. Y.	69.880	70 3/4 70	70 1/4	71	71	70 1/4 70	69 3/4
T/T H'kong	72.100	71 3/8 71 1/2	71 3/8	71 1/2	71 1/2	71 3/8 71 1/2	72
T/T Japan	64.520	64 64 3/4	64 3/4	63 3/4	63 3/4	64 64 1/2	64 1/2
T/T Batavia	194.080	196 1/2 194	194	196 1/2	196 1/2	195 194	194
T/T Straits	71.830	71 1/2 72 1/2	72 1/2	71 3/8	71 1/2	72 72 1/8	72 1/2
Bk's buying rates							
m/s B/L. Cred. D/A	3/5.390	3/5 1/2 3/5	3/5	3/5 1/2	3/5 1/2	3/5 1/4 3/5	3/5
m/s ,, D/P	—	3/5 3/4 3/5 1/4	3/5 1/8	3/5 1/8	3/5 1/8	3/5 3/8 3/5 1/8	3/5 1/8
6 m/s ,, D/A	3/5.890	3/6 3/5 1/2	3/5 1/2	3/5 3/4	3/5 3/4	3/5 1/2 3/5 1/2	3/5 1/2
m/s B/F. ,, D/A, D/P	1,578.200	17801760	1735	1755	1715	17051695	1725
m/s N.Y. Lc.	73.260	74 1/4 73 3/8	73 3/4	74 1/2	74 1/2	73 3/4 73 9/16	73 1/2
m/s ,, Docs	—	74 3/8 74	74	74 3/4	74 3/4	74 73 3/4	73 1/2

(Based on Daily Official quotation, higher rate taken in rising Market, lower when falling	Feb. 21	Feb. 22	Feb. 23	Feb. 25	Feb. 26	Feb. 20*
Bullion.						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence.	33 7/16	33 7/16	33 9/16	33 9/16	33 5/16	33 9/16
**N.Y. Price of Bar Silver per oz. (Pure)	G. $. 64	G. $. 64 1/4	G. $. closed	G. $. 64 3/8	G. $. 64 1/8	G. $. 64 1/4
Shanghai Price of GoldBars (weight Tls. 10 (Chauping) 978 touch	Tls. 312 20	Tls. 311 80	Tls. 310 80	Tls. 311 60	Tls. 313 00	Tls. 313 60
Shanghai Silver Bars (weight Tls. 100 (C.)999 touch)	111 00	111 00	111 00	111 00	111 00	111 00
Shanghai Mexican Dollars per $100	71.55	71.5875	71.6375	71.6875	71.625	71.575
Native Bank Rate of Interest (Callmoney)	2 1/2%	2 1/2%	2%	2%	3%	3%

*Closing Price in London for Previous day
**Closing Price in New York for Previous day

Bank of England rate of discount	4%	London on Paris	T/T 101.35
Bank of France rate of discount	6%	New York on London	T/T 429 1/4
London open Market of rate Dis. 3 m/s.	3 1/2%	Bombay on London	T/T 1/4 1/16
,, 4	3 1/2%	Hongkong on ,,	T/T 2/4
,, 6	3 9/16%	Yokohama ,, ,,	T/T 2/1



What the Ships Carry between America and China

Returns of the Shanghai Customs

Bgt Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls., Customs Rate Jan. Tls. 1.24 equal Gold

S. S. President Jackson, January 28, from U. S. A.

Copper Ingots	Pls.	2,436
Iron Shaftings	,,	56
Apples, Fresh	,,	698
Flour, Wheat	,,	1,955
Leather, Calf	,,	2
Leather, Patent	,,	6
Macaroni	,,	46
Tobacco, Leaf	,,	285
Bedsteads	Pcs.	286
Motor-cars	,,	12
Canned Fish	Doz.	40
Cigarettes	Mille	50
Machinery	Hk. Tls.	14,261
Treasure:		
Gold Coins ($20)	Hk. Tls.	5,000

S. S. Hanover, January 22, from U. S. A.

Cotton, Raw, Bls. 1,750	Pls.	6,535
Iron Hoops	,,	2,518
Iron Hoop Ends	,,	418
Iron Pipes	,,	12
Iron, Galvanized:		
Wire Shorts	,,	524
Tinned Plates, Plain	,,	357
Steel, Bamboo	,,	2,700
Resin	,,	2,017
Wax, Paraffin	,,	1,126

S. S. Victorious January 23, from U. S. A.

Cotton, Raw, Bls. 3,050	,,	11,226

S. S. West Holbrook, January 26, from U. S. A.

Cotton Blankets	Pls.	1
Cotton, Raw, Bls. 150	,,	515
Iron Wire Shorts	,,	874
Almonds	,,	8
Asparagus, Canned	,,	163
Asphalt	Pls.	15
Barley Pearl	,,	38
Butter	,,	13
Cheese	,,	13
Fruits, Canned	,,	71
Leather, Sole	,,	486
Leather, Colored	,,	3
Packing, India-rubber	,,	3
Paper, Unclassed	,,	9,936
Prunes	,,	30
Raisins	,,	2,178
Sugar of Milk	,,	15
Balances	Pcs.	150
Lemons, Fresh	,,	97,950
Motor-cars	,,	3
Motor-trucks	,,	3
Canned Fish	Doz.	40
Canned Meats	,,	53
Canned Vegetables	,,	160
Oil, Lubricating	Galls.	55,160
Chocolate	Lbs.	1,920

S. S. President Harrison, January 31.
To Boston:

Cotton, Raw. Bls. 100	Pls.	382

To New York:

Antimony Regulus	,,	1,260
Arsenic	,,	588
Bristles	,,	48
Egg, Albumen, Dried	,,	33
Egg, Yolk, Dried	,,	333
Brassware	,,	449
Groundnuts, Kernels	,,	420
Hides, Buffalo	,,	1,537

S. S. Hyson, January 29,
To Philadelphia.

Wool, Sheep's	,,	1,099
Carpets	Hk. Tls.	256

To Boston.

Cotton, Raw, Bls. 338	Pls.	1,239
Intestines, Goats', Salted	,,	9
Walnuts, Kernels	,,	86
Wool, Sheep's	,,	1,235

To New York.

Tea, Green:		
Gunpowder, Ningpo	Pls.	102
Gunpowder, Kiukiang	,,	30
Young Hyson, Kiukiang	,,	212
Hyson, Kiukiang	,,	33
Cotton, Raw, Bls. 908	,,	390
Antimony, Regulus	,,	504
Bristles	,,	37
Camphor	,,	50
Feathers	,,	68
Hair, Horse	,,	25
Hair, Horse Tail	,,	50
Hides, Buffalo	,,	361
Intestines, Pigs,' Salted	,,	17
Intestines, Sheep's Salted	,,	52
Wool, Camels'	,,	312
Wool, Sheep's	Pls.	2,046
Skin, Goat, Untanned	Pcs.	90,075
Umbrellas	,,	600
Carpets	Mille	16,618

S. S. Wray Castle, January 29, from U. S. A.

Waterproof Cloth	Yds.	203
Iron Bars	Pls.	307
,, Cobbles	,,	5,316
,, Tubes	,,	853
,, Wire Rope	,,	17
Iron Galvanized:		
Sheets, Plain	,,	1,097
Tubes	,,	1,070
Tube Fittings	,,	6
Steel, Tool	,,	2,802
Tinned Plates Plain	,,	13,324
Cheese	,,	3
Flour, Corn	,,	23
Glucose	,,	225
Paper, Writing	,,	31
Soda, Bicarbonate of	,,	420
Starch	,,	14
Wax, Paraffin	,,	3,368
Imitation Leather	Pcs.	27
Cigarettes	Mille	60,000
Oil, Lubricating	Galls.	1,411
Oil, Unclassed	Galls.	3,522
Machinery	Hk. Tls.	7,959

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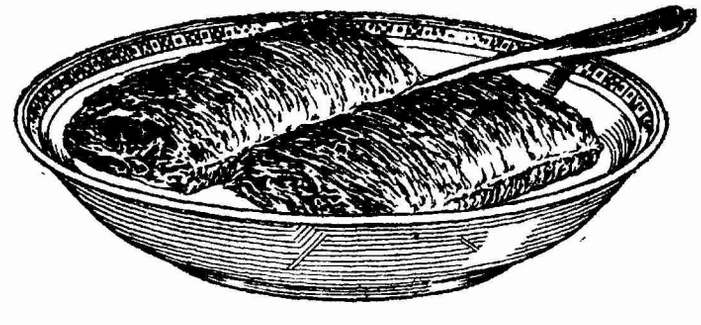

The Shredded Wheat Company, Niagara Falls, N. Y.

28-035

In The United States Court for China

(Established by Act of Congress of June 30, 1906.)

JUDGE, Charles S. Lobingier.
U.S. ATTORNEY, Leonard G. Husar.
U. S. COMMISSIONER, Nelson E. Lurton.
CLERK, William A. Chapman.

OFFICE HOURS 10-12; 2-4.

REPORTER, DEPUTY CLERK, R. T. PEYTON-GRIFFIN.

U. S. MARSHAL, DISBURSING OFFICER, } Thurston R. Porter.
DEPUTY MARSHAL, Wm. Van Buskirk.
PRISON PHYSICIAN, DR. T. B. Dunn.

TIENTSIN:

SPECIAL DEPUTY MARSHAL, Harry V. Fuller

All Notices, Announcements, Judgments, Orders and other Proceedings appearing in this department of THE WEEKLY REVIEW may be accepted as authentic.

MOTION DAY.

All contested motions and demurrers will hereafter be heard on Mondays, beginning at 3 P. M.; provided notice thereof with proof of service on the adverse party or his attorney shall have been filed in the clerk's office by 12 Noon of the preceding Saturday.

ADMISSION TO THE BAR.

Hereafter, applicants for admission to the bar of this court, whether previously admitted elsewhere or not, will be examined on the following:

1. International Law, 33 Corpus Juris.
2. Extraterritoriality, 25 Corpus Juris, 299-331.
3. Extraterritorial Cases.
4. Extraterritorial Remedial Code.
5. U. S. Rev. Stats., secs. 4083—4131 (Act of Congress of June 22, 1860, 12 U. S. Stats. at Large, Ch. 179.)
6. China Court Regulations.
7. Act of Congress of June 30, 1906 (34 U. S. Stats. at Large, Ch. 3934).

BAR EXAMINING BOARD: W. W. Blume, Roland S. Haskell, Walter Chalaire

Shanghai, China, January 2, 1923.

Minutes of Recent Proceedings

Hearings:

(Before the Commissioner)

Feb. 26, 1924, Crim. No. 561, U. S. v. P. Lindaya; testimony taken of D. Lindaya; F. Alberto; defendant; Pick Chun; submitted.

Judgments and Orders:

(By the Commissioner)

Feb. 20, 1924, Civil No. 108, Asia Butchery Co. v. L. Slegman; order for appearance of defendant.
" 25, " Cause " 2388, In re Maria W. P Wilson's estate; order appointing administrator.
" 26, " Crim. " 561, U. S. v. P. Lindaya; defendant warned.

Miscellaneous Filings:

Feb. 20, 1924, Cause No. 1032, Belgian Trading Co. v. Neuss, Hesslein & Co.; motion for new trial.
" 20, " " " 2362, Nordisk Fjerfabrik Ltd. v. Brewster & Company; motion to dismiss.
" 21, " " " 2385, Mao Sha Tse v. W. M. Smith et al; complaint; summons issued.
" 23, " " " 2379, U. S. v. J. Campbell; marshal's return of final commitment.

EMIL S. FISCHER, Plaintiff, vs. CHARLES STONE, Defendant
WOO YUNG CHONG, First Intervenor,
ALICE RUDE HANSEN, Second Intervenor.

(continued from last week)

without such result the proceeding would have been vain and useless. As the Supreme Court said in a celebrated foreclosure case [17]

> "Neither the decree itself, nor any conveyance under it, except by the person in whom the title is vested, can operate beyond the jurisdiction of the court."

Now the British Court was closed to plaintiff during the world war and the rule is well settled that the statute of limitations does not run against a party while excluded from the court where his remedy must be sought. [18]

We do not see that it affects the matter that plaintiff might have obtained a personal judgment againt his former wife in the Danish Consular Court during the war. The testimony does not show that he knew of any other property from which his claim could be satisfied and in any case he was not obliged to waive his lien.

Counsel for the second intervenor point out, however, that plaintiff has not pleaded this exception. He merely "denies that his right of action is barred by the Statute of Limitations as set forth in paragraph 14 of said petition" (Ans. par. 10) and such an averment is insufficient [19] to justify the admission of evidence in support of exception. But here the evidence upon which plaintiff relies was admitted without objection before plaintiff's answer was filed and even before the second intervenor filed her petition. And in submitting herself to the jurisdiction she agreed

> "that the evidence already taken be regarded as having been received against me"

Under this agreement we cannot see how it is possible to disregard the evidence of plaintiff's inability to sue. Had plaintiff subsequently offered evidence under his answer the objection would have been good but upon the evidence previously taken we must hold that the running of the statute was interrupted.

We do not think, however, that plaintiff should be allowed interest beyond the date when he might have brought an action in the Danish Court to foreclose, which was on July 11, 1920 (Ex. E). It does not seem equitable to charge the second intervenor with interest during plaintiff's delay for which she was in no way responsible.

III

At the time plaintiff's mortgage was executed, the title deed to the land in question was left with the Austrian Consulate General by way of security (I, 5). When that office was closed in 1917 its archives were delivered to the Dutch Consul who held the deed in

17. Watkins v. Holman's Lessees, 16 Pet. 57, 10 L. ed. 886. Cf Farmers' L. & T. Co. v. Tel. Co., 55 Conn. 334, 11 Atl.184.
18. "War then does not deprive the individual, in an enemy's country, of his right or demand; it only suspends it until the courts of justice are open to enable him to recover it." Bay, J., in Wall v. Robson, 2 N. & M. (S. C.) 498, 10 Am. Dec. 623. Cf. Cye. XXV, 1285 note 38.
19. Cyc. XXV, 146, note 19.

Feb. 25, 1924, Cause No. 2386, The Standard Oil Company of New York v. Asiatic Motors Inc.; complaint; summons issued; affidavit; bond; writ of attachment issued; marshal's return of summons.

,, 25, ,, ,, ,, 2055, In re James Delaney's will; final account.

,, 25, ,, ,, ,, 2282, China American Trading Co. Inc. v. The Fearon, Daniel Company; motion for new trial.

,, 25, ,, ,, ,, 2298, In re Harrison King Wright's will; petition; receipt.

,, 25, ,, ,, ,, 2387, Smith v. Smith; complaint.

,, 25, ,, ,, ,, 2388, In re Maria W. P. Wilson's estate; petition; deposition; inventory.

,, 26, ,, Corpn. ,, 158, Wintergarden Cafe Inc.; articles of incorporation.

,, 26, ,, ,, ,, 159, The Biogene Medicine Co. of China Inc.; articles of incorporation.

,, 26, ,, Cause ,, 1686, In re The Stewart-Crane Co. Inc.; receiver's report.

(By the Commissioner)

Feb, 21, 1924, Crim. No. 560, U. S. v. P. Giovannini; complaint.

,, 25, ,, Civil ,, 152, L. C. Publishing Co. v. B. D. Stewart; complaint; summons issued.

,, 25, ,, Estate ,, 45, In re Philip L. Bickel's will; deposition.

,, 25, ,, Crim. ,, 561, U. S. v. P. Lindaya; affidavit; bond.

,, 25, ,, Estate ,, 41, In re Watson W. Rich's estate; administrator's report.

question till 1920, when he returned it to the second intervenor, who thereupon caused the British registration to be cancelled and the property, with plaintiff's mortgage duly noted, registered at the Danish Consulate on July 10, 1920 (Ex. E). Her present husband was then connected with a concern known as "Reid's Ltd." He left it before April 1, 1921, but in order to assist it he placed the title deed in the hands of an attorney who wrote the first intervenor offering it as security for advances "in behalf of Reid's Limited not to exceed Tls. 5000" (Ex. 1). The second intervenor admits (II, 139) that she knew of this letter and consented to it. Subsequently, the attorney, evidently (II, 44) with the knowledge and consent of the second intervenor and her husband, delivered the title deed to defendant, who was the manager of Reid's Ltd., and who, on Nov. 12, 1920, executed a receipt (Ex. g) reciting that it was "the property of Mrs. Alice Rude Hansen." With her consent (II, 44, 45) defendant offered the deed to several banks to secure the opening of a credit for Reid's Ltd. These negotiations failed—the husband says.

> "On acconnt of the mortgage on it and because the property was registered in the Danish Consulate. The Banks did not understand the Danish law." (II, 46).

To meet this objection it was arranged to have the title registered in the American land office where it would be subject to American law and defendant was entrusted to register it in his name, he being an American and none others being permitted so to register.

(Continued next week)

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Shanghai-Nanking Railway Abridged Time Table.

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STATIONS	Local	Fast R.	Local	3rd & 4th Local	S N L T P L Express Mail	3rd & 4th	Local	S N L T P L Fast Express	Local	Fast Local	Local	Local	Night Express R. S.	STATIONS	Local	Fast Local	Local	Local	Fast R.	3rd & 4th Local	3rd & 4th	Fast R.	Local	Local	Express R.	Local	T.P.L. Mail	S N L Nights Express T P L Express
Shanghai North d.		7.00	7 15	7.35	9.30	9.50	12.10	12.30	13 25	17 15	17.45	19 35	23 30	Peking d											9.05	T.P.L. Express	—	
Nansiang .. .. d.		7.28	7.45	8.03	—	10.31	12.41	12.58	16 01	17 47	18 15	20 05	0 02	Tientsin East a											—			
Soochow .. .. d.		8.59		9 41	11.14	12 53		14.43	18.24	19 39		—	1 39	Do d											13 00		14 35	9.35
Wusih .. .. d.	7 00	9.59		10 44	12 02	14.12		15 38	19.34	20 36		—	2 38	Tientsin Central a											—		—	—
Changchow .. d.	8.14	10.56		11 41	12 49	15 28		16 38		21.38		—	3 42	Do d											13.20		—	10.06
Tanyang .. .. d.	9.30	11.52			13.38	16.28		17.38				—	—	Tsinanfu d											21 57		—	19.50
Chinkiang .. d	10 31	12 49			14 22	17.34		18 33				—	5.34	Hsuchowfu d											6 51		—	6 00
Nanking .. .. a	12.30	14 21			15.43	19 35		20 02				—	7 20	Pukow a											14 58		18 49	16 02
Pukow .. .. d.												8 50	10 00	Nanking .. d.					7 40		8 10	11.05			15 50	16.15		23 00
Hsuchowfu .. d.												17 08	19 48	Chinkiang .. d					9 20		10 25	12 54			17 29	18 27		0.52
Tsinanfu .. .. d.												2 04	5 58	Tanyang .. d					9 57		11 21	13 36			18.03	19 26		—
Tientsin Central a												—	—	Changchow .. d			7.10		10 59	12 00	12 44	14 32			18 57	20 46		2.41
Do. d.												10 15	15.32	Wusih .. .. d		7 20	8 22		11.59	13.02	14 07	15.33			19.43	21.52		3.53
Tientsin East . a.												—	15.42	Soochow .. .. d		8 21	9.39		12 54	14.02	15 25	16 31			20.32			4 58
Do. d.												10 25		Nansiang .. d.	8.35	10 33	11 34	13.00	14.33	16.03	17.45	18.18	18.40	20 35	—			6.26
Peking .. .. a												14 25		Shanghai North a	8 42	11.00	12 05	13 30	15.00	16.30	18 20	18.45	19 13	21.05	22.00			6.50

Woosung Forts to Shanghai North—Up (Branch Line) **Shanghai North to Woosung Forts—Down**

Woosung Forts d	6 45	8 15	9 40	11 05	12.30	13.55	15 20	16 45	18 10	19 35	21 00	22 25	23 50	1 15	Shanghai North d	6 00	7 30	9 00	10 25	11 50	13 15	14 40	16 05	17 30	18 55	20 20	21 45	23 10	0.35
Kiangwan .. d	7 10	8 40	10 05	11.31	12.55	14 20	15 46	17 10	18 35	20 00	21 25	22 50	0 15	1 40	Tientungan d	6 05	7 35	9 05	10 30	11 55	13 20	14 45	16 10	17 35	19 00	20 25	21 50	23 15	0 40
Tientungan .. d	7 16	8 46	10 11	11.37	13 01	14 36	15 52	17.16	18 41	20 06	21 31	22 56	0 21	1 46	Kiangwan d	6 12	7 42	9 12	10 37	12 02	13 27	14 52	16 17	17 42	19 07	20 32	21 57	23 22	0 47
Shanghai North a	7 20	8 50	10 15	11.41	13.05	14.30	15.56	17 20	18 45	20.10	21 35	23 00	0 25	1 50	Woosung Forts a	6 35	8 06	9 35	11 00	12 25	13 50	15.15	16 40	18 05	19 30	20 55	22 20	23.45	1 10

R. Restaurant Cars, * These additional trains run each Saturday and Sunday S. Sleeping Cars

Shanghai-Hangchow-Ningpo Railway Abridged Time Table.

Down Shanghai North-Zahkou (Main Line) Zahkou-Shanghai North Up

STATIONS	Fast Local	Ex-press R.	2nd 3rd & 4th	Fast R.	Fast Local	Local	Local	Night Ex-press R.	STATIONS	Local	Fast Local	Ex-press R.	Local	2nd 3rd & 4th	Fast R.	Fast Local	Night Ex-press R.
Shanghai North.....dep.	..	8.00	9.00	13.20	15.35	..	..	19.15	Zahkou..... d.	..	..	7.15	..	8.40	13.20	15.05	18.00
Jessfield .....dep.	..	8.15	9.16	13.36	15.51	..	..	19.30	Hangchow ..... d.	..	..	7.40	..	9.15	13.50	15.35	18.25
Siccawei.....dep.	..	8.21	9.23	13.43	15.58	..	..	19.36	Changan ..... d.	..	..	8.29	..	10.45	15.00	16.50	19.14
L'hwa Junction .....dep.	..	8.35	9.40	14.00	16.15	..	..	19.50	Yehsah ..... d.	..	..	9.00	..	11.53	15.37	17.32	19.45
									Kashing ..... d.	..	7.15	9.39	..	12.50	16.24	18.10	20.24
Shanghai South ..... dep.	..	*8.06*	*9.05*	*13.25*	*15.30*	*17 '5*	*18.15*	*19.30*	Kashai ..... d.	..	7.39	10.02	..	13.26	16.52	..	20.46
Lunghwa Junction..... arr.	..	*8.23*	*9.23*	*13.43*	*15.43*	*17.33*	*18.33*	*19.38*	Sungkiang ..... d.	..	8.37	10.52	..	14.42	17.49	..	21.42
Sungkiang .....dep.	..	9.14	10.50	14.46	17.10	..	..	20.29	*Lunghwa Junction.....d.*	*8.37*	*9.37*	*11.37*	*13.52*	*16.07*	*18.48*	..	*22.27*
Kashai .....dep.	..	10.01	11.57	15.43	18.08	..	..	21.16	*Shanghai South .....a.*	*8.55*	*9.55*	*11.55*	*14 10*	*16.25*	*19.00*	..	*22.45*
Kashing.....dep.	7.05	10.31	12.40	16.16	18.30	..	..	21.46									
Yehsah .....dep.	7.45	11.02	13.32	16.56	----	..	..	22.17	L'hwa Junction .....d.	..	9.39	11.32	..	15.50	18.40	..	22.22
Changan .....dep.	8.31	11.36	14.23	17.40	----	..	..	22.51	Siccawei .....d.	..	9.49	11.40	..	15.59	18.49	..	22.30
Hangchow .....dep.	9.43	12.30	16.00	18.50	----	..	..	23.45	Jessfield .....d.	..	9.56	11.46	..	16.06	18.56	..	22.36
Zahkou .....arr.	10.05	12.45	16.30	19.10	----	..	..	24.00	Shanghai North.....a.	..	10.10	12.00	..	16.20	19.10	..	22.50

Konzenchiao-Zahkou (Kiangshoo Branch Line) Zahkou-Konzenchiao

Konzenchiao .....dep.	6.50	8.45	10.45	13.45	15.05	17.30	21.30	Zahkou .....dep.	7.45	9.49	12.00	---	---	18.30	23.25
Kenshangmun .....dep.	7.05	9.00	11.00	14.00	15.20	17.45	21.45	Hangchow .....dep.	8.06	10.11	12.21	14.20	15.51	18.51	23.51
Hangchow.....dep.	7.14	9.11	11.11	---	---	17.56	21.57	Kenshangmun .....dep.	8.17	10.22	12.32	14.31	16.02	19.02	0.02
Zahkou.....arr.	7.32	9.30	11.30	---	---	18.15	22.15	Konzenchiao.....arr.	8.30	10.35	12.45	14.44	16.15	19.15	0.15

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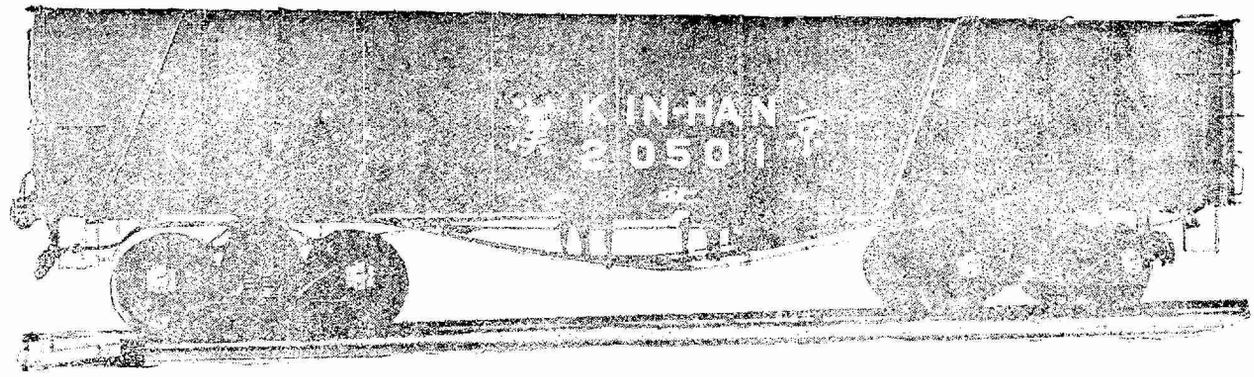

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